Fund Fact Sheet/MDD

M&G Global Inflation Plus Feeder Fund
Global Multi-asset ZAR-denominated

September 2022

Risk profile

Risk of not earning meaningful inflation-beating returns over the long-term

Variability of returns over the short-term

Higher

Lower

Fund facts

Fund objective
The Fund is priced in rands and its objective, expressed in US dollar terms, is to outperform global inflation while aiming to preserve capital over the medium term.

Investor profile
Investors seeking to preserve the real value of their capital, in US dollar terms, by investing in a diversified portfolio of global assets. The recommended investment horizon is 3 years or longer. Since units are priced in rands, investors can invest without having to expatriate rands.

Investment mandate
The Fund is a feeder fund and, other than assets in liquid form and currency contracts, invests only in one fund – the M&G Global Inflation Plus Fund, a US dollar denominated fund domiciled in Ireland. Through this underlying fund, the Fund has exposure to a diversified portfolio that may include equity and property securities, cash, bonds and commodities. The Fund may invest up to 40% in equity securities (excl. property) and up to 25% in property securities.

Investment manager of the underlying fund
M&G Investment Management Ltd (UK)

Fund managers of the underlying fund
Craig Simpson

ASISA category
Global - Multi-Asset - Low Equity

Benchmark
Global inflation

Inception date
1 March 2004

Fund size
R226 584 596

Awards
Raging Bull: 2019, 2021

Since inception cumulative performance, distributions reinvested (A class)

Annualised performance

<table>
<thead>
<tr>
<th>A class</th>
<th>Benchmark</th>
<th>B class</th>
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</thead>
<tbody>
<tr>
<td>1 year</td>
<td>-4.5%</td>
<td>28.4%</td>
</tr>
<tr>
<td>3 years</td>
<td>2.7%</td>
<td>10.1%</td>
</tr>
<tr>
<td>5 years</td>
<td>4.7%</td>
<td>8.2%</td>
</tr>
<tr>
<td>7 years</td>
<td>4.9%</td>
<td>7.1%</td>
</tr>
<tr>
<td>10 years</td>
<td>8.5%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Since inception</td>
<td>7.2%</td>
<td>7.9%</td>
</tr>
</tbody>
</table>

Returns since inception

- Highest annualised return: 38.1% (28 Feb 2007)
- Lowest annualised return: -16.6% (30 Jun 2009)

Top holdings of the underlying fund as at 30 Sep 2022

1. Euro Cash 3.3%
2. People’s Republic of China Bond 3.01% 130528 3.0%
3. US Treasury Bill 011222 2.5%
4. US Treasury Bond 2.25% 150252 2.0%
5. US Treasury Bill 271022 1.9%
6. Republic of Turkey Bond 6.125% 241028 1.8%
7. Euro-Schatz Bond Future 081222 1.1%
8. Microsoft Corporation 1.1%
9. Apple Inc 1.0%
10. Greencoat Renewables 1.0%

Risk measures

- Monthly volatility (annualised): 12.4% vs 14.3%
- Maximum drawdown over any period: -26.8% vs -31.9%
- % of positive rolling 12 months: 72.5% vs 72.0%
- Information ratio: -0.5 vs n/a
- Sortino ratio: -0.2 vs 0.7
- Sharpe ratio: -0.2 vs 0.4

Investment options

- Minimum lump sum investment: R10 000 (A Class), R20 million (B Class)
- Minimum monthly debit order: R500 pm (A Class) vs n/a (B Class)

Annual Management Fees (excl. VAT)

- M&G: 0.50% vs 0.20% (A Class vs B Class)

Expenses (incl. VAT)

- Total Expense Ratio (TER): 1.63% vs 1.28%
- Total Investment Charges (TIC): 1.57% vs 1.23%

Asset allocation

- Foreign Bonds: 53.4%
- Foreign Equity: 36.5%
- Foreign Cash: 4.2%
- Foreign Property: 4.0%
- SA Bonds (ex. Inflation-linked Bonds): 1.3%
- SA Cash: 0.4%
- SA Listed Property: 0.2%

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1 The Fund’s benchmark changed from the ASISA Global - Multi Asset - Low Equity Category Mean to Global Inflation on 1 November 2018.
2 12-month rolling performance figure
3 Additional underlying foreign fund fees are dependent on the fund and are included in the TER
4 Where a transaction cost is not readily available, a reasonable best estimate has been used. Estimated transaction costs may include Bond, Money Market, and FX costs (where applicable).

Sources: M&G and Morningstar

M&G Global Inflation Plus Feeder Fund
Global equity and bond markets sold-off sharply in September, largely on the back of aggressive tightening from most major central banks and fears over a slowdown in global economic growth. In the US, a third consecutive 75bp interest rate hike weighted on investor sentiment, as did the prospect of more “pain” to come as the Federal Reserve (the Fed) continues its battle to bring inflation under control. The Fed raised its federal funds rate to 3%-3.25% at its September meeting, and lowered its GDP growth forecasts to 0.2% for 2022 (vs 1.7%) and 1.2% for 2023 (vs 1.7%). Interest rates are now expected to reach 4.4% by December before rising to 4.6% in 2023. Meanwhile, annual inflation eased to 8.3% in August from 8.5% in July. In the UK, it was Chancellor Kwasi Kwarteng’s mini-budget and proposed tax cuts that sparked widespread unrest, with the Bank of England having to intervene to stabilise gilt markets by resuming quantitative easing. This coincided with the central bank having raised its key interest rate by 50bps to 2.25% in September. In other words, S&P Global Ratings lowered the UK’s sovereign rating outlook to ‘negative’ from ‘stable’, citing concerns about the country’s fiscal outlook. Turning to the Euro Area, the European Central Bank (ECB) raised interest rates by an unprecedented 75bps in September, following a 50bps rate hike in July. Policymakers signaled that interest rates would rise further over the next several meetings to help stem rising inflation. Annual inflation in the Euro Area jumped to 10% in September, marking the first time that inflation has reached double-digits.

In China, the People’s Bank of China (PBoC) left its benchmark lending rates unchanged in September as the widening policy divergence between China and the US heightened the risk of yuan depreciation and capital outflows. Manufacturing PMI unexpectedly fell to 48.1 in September from 49.5 in August, largely due to the impact of strict Covid controls. In more positive news, China’s retail trade rose by 5.4% y/y in August, exceeding market estimates of a 3.5% increase. Looking at global market returns (in US$), the MSCI All Country World Index delivered a dividend index return of -5.1%, while the FTSE EPRA/NAREIT Global RET Index posted -12.3%. The rand weakened 5.5% against the US dollar, 2.8% against the euro, and 1.2% against the pound sterling.

Rand weakness against the US dollar boosted performance in September. In US dollar terms, exposures to broad global stocks, US equities, and global property shares were the biggest detractors from performance. In the fixed income allocation, exposures to global investment grade government bonds lowered the UK's sovereign rating outlook to ‘negative’ from ‘stable’, citing concerns about the country’s fiscal outlook. Turning to the Euro Area, the European Central Bank (ECB) raised interest rates by an unprecedented 75bps in September, following a 50bps rate hike in July. Policymakers signaled that interest rates would rise further over the next several meetings to help stem rising inflation. Annual inflation in the Euro Area jumped to 10% in September, marking the first time that inflation has reached double-digits.

M&G’s Funds are offered in different unit classes to allow different types of investors (individuals and institutions) to invest in the same Fund. Different investment minimums and fees apply to different unit classes.

<table>
<thead>
<tr>
<th>Unit class</th>
<th>MIN &amp; ONG Global Inflation Plus Feeder Fund</th>
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</thead>
<tbody>
<tr>
<td>A Class</td>
<td>for individuals only.</td>
</tr>
<tr>
<td>B &amp; D Class</td>
<td>retirement funds and other large institutional investors only.</td>
</tr>
<tr>
<td>X Class</td>
<td>the special fee class that was made available to investors that were invested in the Dividend Income Feed Fund.</td>
</tr>
<tr>
<td>T Class</td>
<td>for investors in tax-free unit trusts.</td>
</tr>
<tr>
<td>F Class</td>
<td>for Discretionary Unit Fund Managers.</td>
</tr>
</tbody>
</table>

Glossary

12-month yield
A measure of the Fund's income distributions as a percentage of the Fund's net asset value (NAV). This is calculated by summing the income distributions over a rolling 12-month period, then dividing by the sum of the NAV at the end of the period and any capital gains distributed over the same period.

Annualised performance
The average amount of money (total return) earned by an investment each year over a given time period. For periods longer than one year, total returns are expressed as compounded average returns on a yearly basis.

Country exposure
The Fund's investment exposure to different countries as a percentage of the total fixed income assets held by the Fund.

Cumulative performance graph
This illustrates how an initial investment of R100 or N100 (for example) placed into the Fund would change over time, taking ongoing fees into account, with all distributions reinvested.

Income distribution
The dividend income and/or interest income that is generated by the underlying Fund investments and that is periodically declared and paid to investors in the Fund after all annual service fees.

Information ratio
Measures the Fund's active return (Fund return in excess of the benchmark) divided by the amount of risk that the manager takes relative to the benchmark. The higher the information ratio, the higher the active return of the Fund, given the amount of risk taken and the more consistent the manager. This is calculated over a 3-year period.

Maximum drawdown
The largest drop in the Fund's cumulative total return from peak to trough over any period.

Monthly volatility (annualised)
Also known as standard deviation. This measures the amount of variation or difference in the monthly returns on an investment. The larger the annualised monthly volatility, the more the monthly returns are likely to vary from the average monthly return (i.e. the more volatile the investment).

Percentage of positive rolling 12 months
The percentage of months, since inception, that the Fund has shown a positive return over a rolling 12-month period.

Sharpe ratio
The Sharpe ratio is used to measure how well the return of an asset compensates the investor for the risk taken. The higher the Sharpe ratio the better the Fund's historical risk-adjusted performance has been. This is calculated by taking the difference between the Fund's annualised return and the risk-free (cash) rate, divided by the standard deviation of the Fund's returns. This is calculated over a 3-year period.

Sortino ratio
This shows the returns, less the risk, relating to the management of the portfolio and is expressed as a percentage of the average negative deviation below the portfolio's mean. The Sortino ratio can be used to show whether the returns of different investments are the "bad" volatility. A high-Sortino ratio indicates a lower risk of large losses occurring in the Fund.

Total Expense Ratio (TER)
This shows the charges, levies and fees relating to the management of the portfolio and is expressed as a percentage of the average net asset value (NAV) of the portfolio, calculated for the year to the end of the most recent completed quarter. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of the future TERs.

Total Investment Charges (TIC)
The percentage of the value of the Fund incurred as costs, relating to the investment of the Fund. As fund returns are reported after deducting all fees and expenses, these costs (the TIC and TER) cannot be deducted from the fund returns.

Transaction Costs (TC)
The percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impact Fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market conditions, the type of Fund, investment decisions of the investment manager and the TER.

Unit class
M&G’s Funds are offered in different unit classes to allow different types of investors (individuals and institutions) to invest in the same Fund. Different investment minimums and fees apply to different unit classes.

1 If the income earned in the form of dividends and interest exceeds the total expenses, the Fund will make a distribution (cps = cents per unit).