

# PRUDENTIAL ENHANCED INCOME FUND

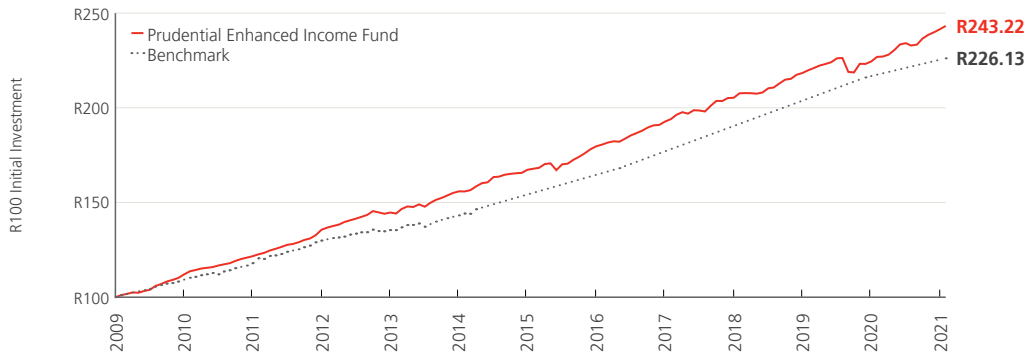
## 31 AUGUST 2021



### FACT SHEET/MINIMUM DISCLOSURE DOCUMENT

### MULTI-ASSET

#### SINCE INCEPTION CUMULATIVE PERFORMANCE, DISTRIBUTIONS REINVESTED (A CLASS)



ANNUALISED PERFORMANCE	A CLASS	BENCHMARK	T CLASS	X CLASS	D CLASS
1 year	7.2%	3.8%	7.4%	7.1%	7.5%
3 years	5.4%	5.9%	5.7%	5.5%	5.8%
5 years	6.1%	6.5%	6.5%	6.3%	6.6%
7 years	6.6%	6.6%	n/a	6.7%	7.1%
10 years	7.1%	6.5%	n/a	7.3%	7.6%
Since inception	7.6%	7.0%	6.7%	7.3%	7.7%

\* Inception dates: X Class: 1 April 2011, D Class: 1 July 2011, T Class: 2 January 2015

1-YEAR INCOME RETURN	A CLASS	T CLASS	X CLASS	D CLASS
Fund yield (net of fees)	4.7%	4.9%	4.7%	5.0%

RETURNS SINCE INCEPTION**	A CLASS	DATE
Highest annualised return	12.9%	30 Nov 2010
Lowest annualised return	1.8%	30 Apr 2020

\*\* 12-month rolling performance figure

RISK MEASURES	A CLASS	BENCHMARK
Monthly volatility (annualised)	2.3%	1.2%
Maximum drawdown over any period	-3.4%	-1.2%
% of positive rolling 12 months	100.0%	100.0%
Information ratio	-0.2	n/a
Sortino ratio	-0.1	4.5
Sharpe ratio	-0.1	0.4

ASSET ALLOCATION	
SA Bonds (ex. Inflation-linked Bonds)	36.8%
SA Cash	31.3%
SA Inflation-linked Bonds	17.2%
Foreign Bonds	10.9%
SA Listed Property	3.7%
Foreign Cash	0.1%

#### TOP 10 HOLDINGS\*

1. Republic of SA Bond 10.50% 211226 (R186)	30.1%
2. Prudential High Interest Fund	11.0%
3. Republic of SA ILB 2.00% 310125 (I2025)	10.8%
4. RSA Sovereign USD Bond 4.875% 140426	5.1%
5. Republic of SA Bond 8.875% 280235 (R2035)	4.7%
6. Republic of SA ILB 2.60% 310328 (R210)	3.6%
7. Republic of SA Bond 8.00% 310130 (R2030)	3.6%
8. iShares Interest Rate Hedged High Yield Bond ETF	3.5%
9. ACSA Ltd ILB 3.64% 300428	2.8%
10. Northam Platinum Ltd FRN J3+3.75% 251123	2.3%

\*As at 30 June 2021 (updated quarterly)

INVESTMENT OPTIONS	A CLASS	T CLASS	I CLASS	X CLASS	D CLASS
Minimum lump sum investment	R10 000	R10 000	R10 000	R10 000	R20 million
Minimum monthly debit order	R500 p/m	R500 p/m	R500 p/m	R500 p/m	n/a

INITIAL FEES (excl. VAT)	A CLASS	T CLASS	I CLASS	X CLASS	D CLASS
Prudential	0.00%	0.00%	0.00%	0.00%	0.00%
Financial adviser (if applicable)*	3.00% (max)	3.00% (max)	3.00% (max)	3.00% (max)	0.00%

\* Initial Adviser Fees are negotiated between the Investor and Financial Adviser. Should you agree to an Initial Adviser Fee, it will be deducted before the investment is made.

ANNUAL MANAGEMENT FEES (excl. VAT)	A CLASS	T CLASS	I CLASS	X CLASS	D CLASS
Prudential**	0.75%	0.60%	1.00%	0.80%	0.50%
Financial adviser service fee*** (if applicable)	n/a	n/a	0.30%	0.30%	n/a

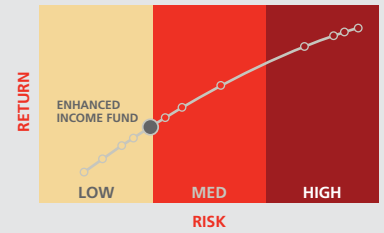
\*\* Additional underlying foreign fund fees are dependent on the fund and are included in the TER

\*\*\* The Financial Adviser Service Fee, if applicable, is included in Prudential's annual management fee above. An Ongoing Adviser Fee, over and above the Financial Adviser Service Fee, may be negotiated between the Investor and Financial Adviser. Should you agree to an Ongoing Adviser Fee, it will be paid via the regular repurchase of units.

EXPENSES (incl. VAT)	A CLASS	T CLASS	I CLASS	X CLASS	D CLASS
Total Expense Ratio (TER)	1.06%	0.75%	1.19%	0.99%	0.64%
Transaction Costs (TC)	0.10%	0.10%	0.10%	0.10%	0.10%
Total Investment Charges (TIC)	1.16%	0.85%	1.29%	1.09%	0.74%

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).

#### RISK/RETURN PROFILE:



#### FUND OBJECTIVE:

To maximise total returns in excess of the benchmark over a rolling 36-month period, while seeking to protect capital and reduce volatility through active asset management.

#### INVESTOR PROFILE:

Individuals requiring an actively managed income solution that provides a high income return together with moderate capital growth. The recommended investment horizon is 1 to 3 years.

#### INVESTMENT MANDATE:

The Fund invests in a flexible mix of high-yielding securities. The intended maximum limits are Equity 10%, Listed Property 25%, Foreign 20%, plus additional 5% Africa (excl. SA). No duration constraints apply. The Fund is managed to comply with regulations governing retirement fund investments (Regulation 28).

#### FUND MANAGERS:

David Knee and Roshen Harry

#### ASISA CATEGORY:

South African - Multi-Asset - Income

#### BENCHMARK:

STeFI Composite Index measured over a rolling 36-month period

#### INCEPTION DATE:

1 July 2009

#### FUND SIZE:

R861 153 114

#### Becoming M&G

We will soon be changing our name to M&G Investments, as we align our brand with our global shareholder, M&G plc group. Our ownership and identity changes will have no impact on the way our unit trust funds are managed. Our consistent investment process and philosophy remain the same.

[LEARN MORE](#)

# PRUDENTIAL ENHANCED INCOME FUND

## 31 AUGUST 2021



### FACT SHEET/MINIMUM DISCLOSURE DOCUMENT

### MULTI-ASSET

INCOME DISTRIBUTIONS	TOTAL DISTRIBUTIONS	12-MONTH YIELD
(A Class) 30 June 2021	1.22 cpu	4.95%
(A Class) 31 March 2021	1.35 cpu	5.64%
(A Class) 31 December 2020	1.50 cpu	6.15%
(A Class) 30 September 2020	1.44 cpu	6.75%
(D Class) 30 June 2021	1.30 cpu	5.23%
(D Class) 31 March 2021	1.43 cpu	5.92%
(D Class) 31 December 2020	1.58 cpu	6.47%
(D Class) 30 September 2020	1.52 cpu	7.16%
(T Class) 30 June 2021	1.27 cpu	5.11%
(T Class) 31 March 2021	1.40 cpu	5.80%
(T Class) 31 December 2020	1.55 cpu	6.36%
(T Class) 30 September 2020	1.49 cpu	7.04%

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

### FUND COMMENTARY

Global equity markets were broadly positive in August, supported by the US Federal Reserve's (Fed's) dovish stance on the tapering of asset purchases. Concerns over a slowdown in global growth and a sharp spike in new Covid-19 infections weighed on sentiment somewhat, as did weaker-than-expected economic data coming out of China. In the US, the Fed signalled that it would likely begin tapering its \$120 billion monthly asset purchases before the end of the year, but that doing so would not carry a direct increase in interest rates. The Fed's stance helped lift equity markets, with the S&P 500 and Nasdaq reaching record highs, supported by strong corporate results, a sharp rebound from tech stocks, and the prospect of increased vaccination rates following the full FDA approval of Pfizer's Covid-19 vaccine. Investors also welcomed the news that the US Senate had passed President Biden's \$1 trillion bipartisan infrastructure bill. In the UK, the economy grew by 4.8% in Q2, recovering from a 1.6% contraction the previous quarter. Elsewhere in Europe, the European Central Bank's (ECB's) new guidance on interest rates continued to spark debate amongst its members, with several revisions to the final proposal having been made to appease the bank's more hawkish members. Once finalised, the forward guidance will provide greater commitment to bringing inflation to within the ECB's target, as well as provide safeguards against a premature tightening of monetary policies. In China, negative economic data and concerns of declining liquidity weighed on investor sentiment, prompting the Peoples Bank of China to inject CNY120 billion into the banking system. Sentiment was also dented by persistent worries over the regulatory crackdown in some sectors of the economy.

In South Africa, President Ramaphosa announced a surprise reshuffle of his cabinet, which included the replacement of finance minister Tito Mboweni with ANC economic head Enoch Godongwana. Investors welcomed Godongwana's appointment given his history as an advocate of investor-friendly policies, and the likelihood that he will pursue fiscal discipline. In other news, Eskom announced it was considering a USD 7.2 billion investment in wind and solar projects by 2030. The state-owned power utility managed to cut its debt by 17%, largely due to a cash injection from the government. In August, the FTSE/JSE All Share Index returned -1.7%, the FTSE/JSE All Bond Index delivered 1.7%, inflation-linked bonds (the Composite ILB Index) posted 1.2%, and cash as measured by the STeFI Composite Index returned 0.3%. Looking at global market returns (in US\$), the MSCI All Country World Index delivered 2.5%, the Bloomberg Global Aggregate Bond Index returned -0.4%, while the EPRA/NAREIT Global Property REIT Index posted 1.6%. The rand appreciated 1.0% against the US dollar, 2.1% against the pound sterling and 1.5% against the euro.

Contributing the most to absolute performance for the month was the fund's exposure to SA bonds (excluding inflation-linked bonds), SA cash and SA inflation-linked bonds.

### GLOSSARY

<b>Monthly volatility (annualised)</b>	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).
<b>Maximum drawdown</b>	The largest drop in the Fund's cumulative total return from peak to trough over any period.
<b>Sharpe ratio</b>	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.
<b>Sortino ratio</b>	This is calculated by taking the difference between the Fund's annualised return and the risk-free (cash) rate, divided by the downside deviation of the Fund's returns i.e. the "bad" volatility. A high Sortino ratio indicates a low risk of large losses occurring in the Fund. This is calculated over a 3-year period.
<b>Unit class</b>	Prudential'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. A Class: for individuals only. B & D Class: retirement funds and other large institutional investors only. X Class: the special fee class that was made available to investors that were invested in the Dividend Income Feeder Fund. T Class: for investors in tax-free unit trusts. F Class: for Discretionary Fund Managers.
<b>Annualised performance</b>	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.
<b>12-month yield</b>	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.
<b>Total Expense Ratio (TER)</b>	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 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 future TERs.
<b>1-year income return</b>	The portion of the return of the Fund that is attributed to income generated over the last 12 months, assuming the investor reinvests all distributions and incurs no transaction fees or taxes.
<b>Income distribution</b>	The dividend income and/or interest income that is generated by the underlying Fund investments and that is periodically declared and distributed to investors in the Fund after all annual service fees.
<b>Intended maximum limits</b>	This indicates the Fund's intended maximum exposure to an asset class. These limits may be reviewed subject to the Fund's Supplemental Deed and/or Regulation 28 for those Funds managed in accordance with Regulation 28 of the Pension Funds Act.
<b>Cumulative performance graph</b>	This illustrates how an initial investment of R100 or N\$100 (for example) placed into the Fund would change over time, taking ongoing fees into account, with all distributions reinvested.
<b>Percentage of positive rolling 12 months</b>	The percentage of months, since inception, that the Fund has shown a positive return over a rolling 12-month period.
<b>Information ratio</b>	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.
<b>Regulation 28</b>	The South African retirement fund industry is governed by the Pension Funds Act, No 24 of 1956. Regulation 28 of the Pension Funds Act prescribes the maximum limits in asset classes that an approved retirement fund may invest in.

An electronic copy of this document is available at [www.prudential.co.za](http://www.prudential.co.za)

### HOW TO INVEST

0860 105 775

[prudential.co.za](http://prudential.co.za)

[query@myprudential.co.za](mailto:query@myprudential.co.za)

Application forms

Invest now

Application forms and all required documentation must be faxed to +27 11 263 6143 or e-mailed to [instructions@myprudential.co.za](mailto:instructions@myprudential.co.za).

### DISCLAIMER

**Prudential Portfolio Managers Unit Trusts Ltd** (Registration number: 1999/0524/06) is an approved CISA management company (#29). Assets are managed by Prudential Investment Managers (South Africa) (Pty) Ltd, which is an approved discretionary Financial Services Provider (#45199). The Trustee's/Custodian details are: Standard Bank of South Africa limited – Trustees Services & Investor Services, 20th Floor, Main Tower, Standard Bank Centre, Heerengracht, Cape Town. Prudential Portfolio Managers (South Africa) (Pty) Ltd ("PPMSA") is part of the same corporate group as the Prudential Assurance Company. The Prudential Assurance Company is a direct subsidiary of M&G plc, a company incorporated in the United Kingdom. Neither PPMSA or the Prudential Assurance Company are affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America or Prudential plc, an international group incorporated in the United Kingdom.

Collective Investment Schemes (unit trusts) are generally medium-to long-term investments. Past performance is not necessarily a guide to future investment performance. Unit trust prices are calculated on a net asset value basis. This means the price is the total net market value of all assets of the unit trust fund divided by the total number of units of the fund. Any market movements – for example in share prices, bond prices, money market prices or currency fluctuations – relevant to the underlying assets of the fund may cause the value of the underlying assets to go up or down. As a result, the price of your units may go up or down. Unit trusts are traded at the ruling forward price of the day, meaning that transactions are processed during the day before you or the Manager know what the price at the end of the day will be. The price and therefore the number of units involved in the transaction are only known on the following day. The unit trust fund may borrow up to 10% of the fund value, and it may also lend any scrip (proof of ownership of an investment instrument) that it holds to earn additional income. A Prudential unit trust fund may consist of different fund classes that are subject to different fees and charges. Where applicable, the Manager will pay your financial adviser an agreed standard ongoing adviser fee, which is included in the overall costs of the fund. A Collective Investment Schemes (CIS) summary with all fees and maximum initial and ongoing adviser fees is available on our website. One can also obtain additional information on Prudential products on the Prudential website. The Fund may hold foreign securities including foreign CIS funds. As a result, the fund may face material risks. The volatility of the fund may be higher and the liquidity of the underlying securities may be restricted due to relative market sizes and market conditions. The fund's ability to settle securities and to repatriate investment income, capital or the proceeds of sales of securities may be adversely affected for multiple reasons including market conditions, macro-economic and political circumstances. Further, the return on the security may be affected (positively or negatively) by the difference in tax regimes between the domestic and foreign tax jurisdictions. The availability of market information and information on any underlying sub-funds may be delayed. The Manager may, at its discretion, close your chosen unit trust fund to new investors and to additional investments by existing investors to make sure that it is managed in accordance with its mandate. It may also stop your existing debit order investment. The Manager makes no guarantees as to the capital invested in the fund or the returns of the fund. Excessive withdrawals from the fund may place the fund under liquidity pressure and, in certain circumstances, a process of ring fencing withdrawal instructions may be followed. Fund prices are published daily on the Prudential website. These are also available upon request. The performance is calculated for the portfolio. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Purchase and repurchase requests must be received by the Manager by 13h30 (11h30 for the Money Market Fund) SA time each business day. All online purchase and repurchase transactions must be received by the Manager by 10h30 (for all Funds) SA time each business day.