

PRUDENTIAL GLOBAL BOND FEEDER FUND

28 FEBRUARY 2019

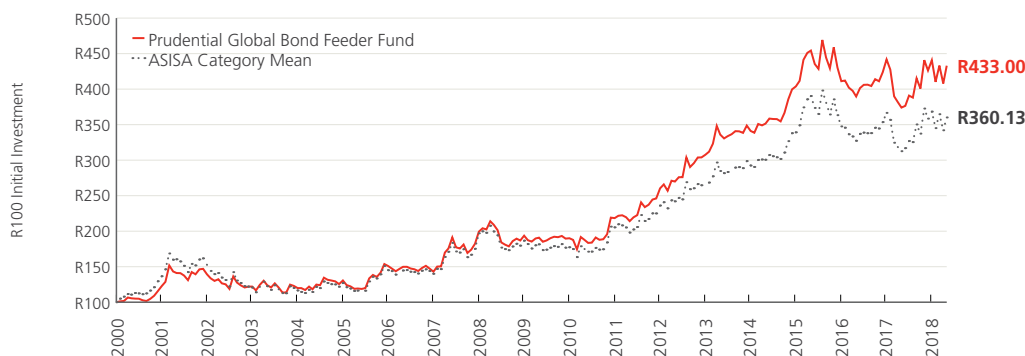


PRUDENTIAL
INVESTMENT MANAGERS

FACT SHEET/MINIMUM DISCLOSURE DOCUMENT

GLOBAL INCOME

SINCE INCEPTION CUMULATIVE PERFORMANCE, DISTRIBUTIONS REINVESTED (A CLASS)



ANNUALISED PERFORMANCE

	A CLASS	BENCHMARK
1 year	15.8%	18.3%
3 years	-1.6%	-2.3%
5 years	5.2%	6.3%
7 years	10.6%	10.4%
10 years	7.6%	6.6%
Since inception	8.3%	8.4%

RETURNS SINCE INCEPTION**

	A CLASS	DATE
Highest annualised return	49.1%	31 Dec 2001
Lowest annualised return	-17.4%	31 Aug 2003

** 12-month rolling performance figure

ASSET ALLOCATION

Foreign Bonds	99.7%
SA Cash	0.3%

RISK MEASURES

	A CLASS	BENCHMARK
Monthly volatility (annualised)	14.9%	16.1%
Maximum drawdown over any period	-25.2%	-30.2%
% of positive rolling 12 months	70.3%	68.4%
Information ratio	0.3	n/a
Sortino ratio	-0.8	-0.8
Sharpe ratio	-0.6	-0.6

TOP HOLDINGS OF THE UNDERLYING FUND*

1. Eastspring Investments US Inv Grade Bond Fund	17.5%
2. iShares EUR Corp Bond Int Rate Hedged ETF	16.8%
3. Japan Government Bond 0.10% 150219	11.6%
4. iShares iBoxx \$ Corporate Bond ETF	9.9%
5. M&G Strategic Corporate Bond Fund	7.9%

*As at 31 December 2018 (updated quarterly)

INVESTMENT OPTIONS

	A CLASS	B CLASS
Minimum lump sum investment	R2 000	R20 million
Minimum monthly debit order	R500 pm	n/a

INITIAL FEES (excl. VAT)

	A CLASS	B CLASS
Prudential	0.00%	0.00%
Financial adviser (if applicable)	1.00% (max)	0.00%

ANNUAL MANAGEMENT FEES (excl. VAT)

	A CLASS	B CLASS
Prudential**	0.50%	0.20%
Financial adviser service fee*** (if applicable)	0.00%	0.00%

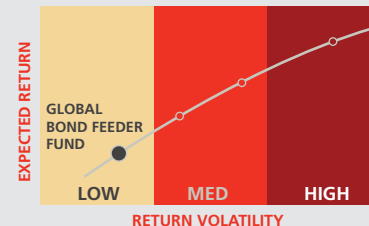
** Additional underlying foreign fund fees are dependent on the fund and are included in the TER

*** Included in Prudential's annual management fee above

EXPENSES (incl. VAT)

	A CLASS	B CLASS
Total Expense Ratio (TER)	1.37%	1.00%
Transaction Costs (TC)	0.02%	0.02%
Total Investment Charges (TIC)	1.39%	1.02%

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).



FUND OBJECTIVE:

The Fund's objective is to generate investment returns through exposure to global bonds and interest-bearing instruments over the medium term.

INVESTOR PROFILE:

Investors seeking returns from a diversified portfolio of global debt and fixed income securities. The recommended investment horizon is 2 years (or longer when used as strategic exposure to the asset class). Although the Fund's investment universe is global, units are priced in rands. Investors can therefore invest without having to personally expatriate rands.

INVESTMENT MANDATE:

The Fund is a feeder fund and, other than assets in liquid form and currency contracts, invests only in one underlying fund – the Prudential Global Bond Fund, a US dollar denominated fund domiciled in Ireland. Through this underlying fund, the Fund has exposure to a diversified portfolio of global debt and fixed income securities, other collective investment schemes and financial derivative instruments.

INVESTMENT MANAGER OF THE UNDERLYING FUND:

M&G Investment Management Ltd (UK)

FUND MANAGERS OF THE UNDERLYING FUND:

Marc Beckenstrater and Craig Simpson

ASISA CATEGORY:

Global - Interest Bearing - Variable Term

BENCHMARK:

Bloomberg Barclays Global Aggregate Bond Index

INCEPTION DATE:

27 October 2000

FUND SIZE:

R435 789 009

AWARDS:

Raging Bull: 2006, 2008, 2013
Morningstar/Standard & Poor's: 2007, 2009, 2013

INCOME DISTRIBUTIONS	TOTAL DISTRIBUTIONS	12-MONTH YIELD
(A Class) 31 December 2018	0.00 cpu	0.00%
(A Class) 30 June 2018	0.00 cpu	0.00%
(B Class) 31 December 2018	0.00 cpu	0.00%
(B Class) 30 June 2018	n/a	n/a

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

In the US, the minutes of the Federal Reserve's January FOMC meeting helped reinforce the central bank's message of "patience" when it came to raising interest rates further, sparking more positive sentiment for the equity market as investors were encouraged that the Fed would not choke off growth with their rate hiking policy. Adding to this was the news that Trump had extended the deadline for raising US tariffs against China, and that good progress had been made in the ongoing US-China trade negotiations. This helped push the US dollar stronger for the month to the detriment of most other currencies, particularly emerging markets.

In the UK, further Brexit disagreements both between and within political parties made it increasingly likely that the current final Brexit deadline of 29 March would be extended, and that a "hard Brexit" would be averted. UK GDP growth slowed to 1.3% y/y in Q4 2018 from 1.6% previously, with the EU area only slightly less pedestrian at 1.4% y/y for the quarter. This deteriorating growth was a factor in keeping interest rates on hold across both regions, as well as in the US Fed's interest rate view. In China, meanwhile, there was renewed optimism as government measures to bolster the economy took effect. The Bloomberg Barclays Global Aggregate Bond Index (US\$) returned -0.6% in February. The rand weakened 5.3% against the US dollar, 4.5% against the euro and 6.9% against the pound sterling.

Rand depreciation relative to the US dollar boosted fund performance for the month. In US dollar terms, investment grade corporate bonds contributed to performance, together with emerging market bonds denominated in hard currency. Japanese and Turkish government bonds detracted from value.

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.
Cumulative performance graph	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.
Income distribution	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.
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 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.
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 of the portfolio, calculated over a rolling three years (where applicable) and annualised to the most recently 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.
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 impacts Fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, investment decisions of the investment manager and the TER.
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 TER, TC & IC) should not be deducted from the fund returns.
Unit class	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 and certain legal entities. 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.

HOW TO INVEST

0860 105 775

prudential.co.za

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**.

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.

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 Fund is a fund of funds which may only invest in other unit trusts (sub-funds) and assets in liquid form. Sub-funds may levy their own charges that could result in a higher fee structure for these funds. 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.