

PRUDENTIAL GLOBAL BOND FEEDER FUND

30 SEPTEMBER 2021



FACT SHEET/MINIMUM DISCLOSURE DOCUMENT

GLOBAL INCOME

SINCE INCEPTION CUMULATIVE PERFORMANCE, DISTRIBUTIONS REINVESTED (A CLASS)



ANNUALISED PERFORMANCE	A CLASS	BENCHMARK	B CLASS
1 year	-8.8%	-10.7%	-8.4%
3 years	6.6%	6.4%	6.9%
5 years	3.7%	3.8%	n/a
7 years	5.8%	6.4%	n/a
10 years	8.9%	8.4%	n/a
Since inception	8.2%	8.3%	8.7%

* Inception date B Class: 2 July 2018

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

RISK MEASURES	A CLASS	BENCHMARK
Monthly volatility (annualised)	14.5%	15.8%
Maximum drawdown over any period	-25.2%	-30.2%
% of positive rolling 12 months	71.3%	69.6%
Information ratio	0.0	n/a
Sortino ratio	0.1	0.1
Sharpe ratio	0.1	0.1

TOP HOLDINGS OF THE UNDERLYING FUND*

1. M&G Emerging Markets Hard Currency Bond Fund	16.5%
2. iShares Global Aggregate Bond ETF	16.3%
3. Eastspring Investments US Inv Grade Bond Fund	14.6%
4. M&G Strategic Corporate Bond Fund	7.7%
5. China Government Bond 3.01% 130528	5.6%

*As at 30 September 2021 (updated quarterly)

INVESTMENT OPTIONS	A CLASS	B CLASS
Minimum lump sum investment	R10 000	R20 million
Minimum monthly debit order	R500 pm	n/a

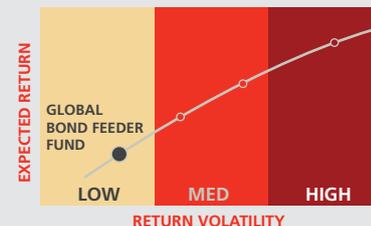
INITIAL FEES (excl. VAT)	A CLASS	B CLASS
Prudential	0.00%	0.00%

ANNUAL MANAGEMENT FEES (excl. VAT)	A CLASS	B CLASS
Prudential**	0.50%	0.20%

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

EXPENSES (incl. VAT)	A CLASS	B CLASS
Total Expense Ratio (TER)	1.33%	0.98%
Transaction Costs (TC)	0.06%	0.06%
Total Investment Charges (TIC)	1.39%	1.04%

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 Global Aggregate Bond Index

INCEPTION DATE:

27 October 2000

FUND SIZE:

R560 219 892

AWARDS:

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

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

INCOME DISTRIBUTIONS	TOTAL DISTRIBUTIONS	12-MONTH YIELD
(A Class) 30 June 2021	0.00 cpu	0.00%
(A Class) 31 December 2020	0.00 cpu	0.00%
(B Class) 30 June 2021	0.00 cpu	0.00%
(B Class) 31 December 2020	0.00 cpu	0.00%

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 negative in September over concerns that central banks were preparing to scale back stimulus measures. Contributing to the risk-off sentiment were events in China, where Chinese property group Evergrande faced a liquidity crisis that threatened to spill over into the broader economy. In the US, sentiment dampened after the Fed signalled that a rise in interest rates may follow more quickly than expected, and that a moderation in the pace of asset purchases may be warranted, as the economy continues to make progress towards employment and inflation goals. US GDP growth for Q2 2021 was revised higher to 6.7% (q/q, annualised). In the UK, Prime Minister Boris Johnson deployed army drivers and the government's reserve tanker fleet to help ease petrol shortages. Petrol stations ran dry as the region grappled with low supplies following a shortage of truck drivers and a temporary spike in consumer demand. Meanwhile, the Bank of England signalled that the case for modest tightening had strengthened as inflation could persist above 4% well into 2022. UK GDP expanded 5.5% q/q in Q2 2021, above initial estimates of a 4.8% increase. Elsewhere, the European Central Bank kept interest rates at record-low levels but said it would start tapering the pace of net asset purchases for the rest of the year due to improved economic conditions. The central bank reiterated, however, that it would adjust its purchases according to market conditions. Eurozone GDP was revised higher to 2.2% q/q in Q2 2021. In China, concerns over the impact of power curbs, further regulatory crackdowns, and the liquidity crisis facing Evergrande all weighed on investor sentiment.

The Bloomberg Global Aggregate Bond Index (US\$) returned -1.8% in September. The rand weakened 4.0% against the US dollar, 1.9% against the pound sterling and 2.1% against the euro.

Rand weakness against the US dollar boosted performance in September. In US dollar terms, the main detractors were emerging markets hard currency bonds, European corporate bonds and US Treasuries.

GLOSSARY

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

HOW TO INVEST

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📄 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 instructionsa@myprudential.co.za.

DISCLAIMER

Prudential Portfolio Managers Unit Trusts Ltd (Registration number: 1999/0524/06) is an approved CISC 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.