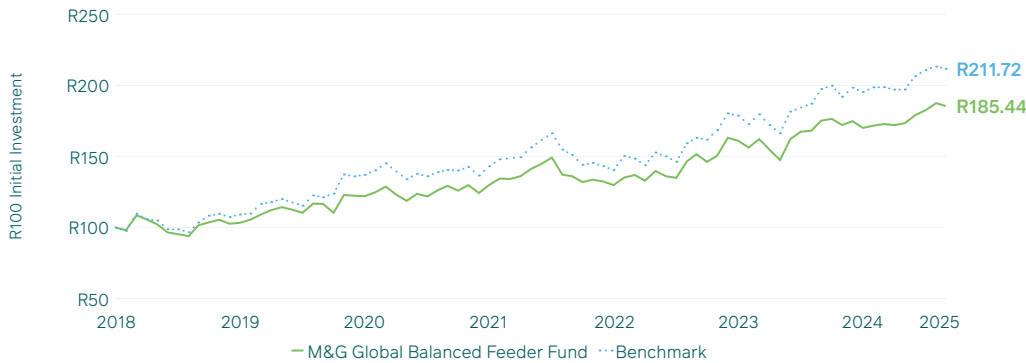


# M&G Global Balanced Feeder Fund

Global Multi-asset ZAR-denominated

February 2025

Since inception cumulative performance, distributions reinvested (A class)



Annualised performance	A class	Benchmark	B class
1 year	5.9%	7.2%	6.3%
2 years	10.6%	13.9%	11.0%
3 years	10.9%	11.9%	11.3%
5 years	9.7%	11.8%	10.0%
Since inception	9.7%	11.9%	-

Returns since inception <sup>1</sup>	A class	Date
Highest annualised return	24.4%	31 Jan 2020
Lowest annualised return	-9.6%	31 Dec 2022

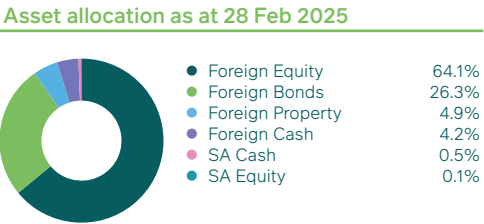
Top holdings of the underlying fund as at 31 Dec 2024		
1.	US Treasury Bill 060325	8.8%
2.	US Ultra Long T-Bond Future 0325	2.7%
3.	US Treasury Bond 2.25% 150252	2.3%
4.	HSCEI Index Future 0125	2.0%
5.	US 2 Year Treasury Note Future 0325	1.5%
6.	Brazilian Government Bond 10.00% 010135	1.5%
7.	US Dollar Cash	1.4%
8.	Apple Inc	1.4%
9.	Taiwan Semiconductor Manufacturing Co Ltd	1.2%
10.	FTSE/MIB Index Future 0325	1.1%

Risk measures	A class	Benchmark
Monthly volatility (annualised)	13.3%	13.3%
Maximum drawdown over any period	-13.5%	-15.6%
% of positive rolling 12 months	92.8%	91.3%
Information ratio	-0.2	n/a
Sortino ratio	0.5	0.6
Sharpe ratio	0.3	0.3

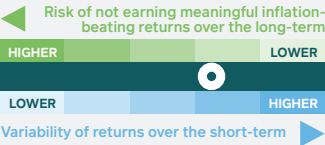
Investment options	A Class	B Class
Minimum lump sum investment	R10 000	R20 million
Minimum monthly debit order	R500 pm	n/a

Annual Management Fees (excl. VAT)	A Class	B Class
M&G <sup>2</sup>	0.50%	0.20%

Expenses (incl. VAT)	A Class	B Class
Total Expense Ratio (TER)	1.70%	1.36%
Transaction Costs (TC) <sup>3</sup>	0.11%	0.11%
Total Investment Charges (TIC)	1.81%	1.47%



Risk profile



Fund facts

**Fund objective**  
The Fund's objective is to provide investors with capital growth over the long-term by investing in a diversified portfolio of global assets.

**Investor profile**  
Investors seeking long-term capital growth from a diversified portfolio of global assets. The recommended investment horizon is 5 years or longer. 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 M&G Global Balanced 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, currencies and commodities. The Fund may invest up to 75% in equity securities (excluding 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  
Aaron Powell

**ASISA category**  
Global - Multi-Asset - High Equity

**Benchmark**  
65% MSCI All Country World Index TR (Net), 5% FTSE EPRA/NAREIT Global REIT Index, 25% Bloomberg Global Aggregate Bond Index, 5% US 1m Treasury Bill

**Inception date**  
28 June 2018

**Fund size**  
R1 922 538 255

<sup>1</sup> 12-month rolling performance figure  
<sup>2</sup> Additional underlying foreign fund fees are dependent on the fund and are included in the TER  
<sup>3</sup> 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).

# M&G Global Balanced Feeder Fund

Global Multi-asset ZAR-denominated

February 2025

Income Distributions<sup>4</sup>

	A Class		B Class	
	Total	12m yield	Total	12m yield
31 December 2024	0.00 cpu	0.00%	0.00 cpu	0.00%
30 June 2024	0.00 cpu	0.00%	0.00 cpu	0.00%

Fund commentary

In February, the world witnessed the full force of Trump 2.0's policy shift, with the announcement of tariffs targeting Canada, Mexico, and China on the very first day of the month. Stock markets fell and the dollar jumped after US President Donald Trump ordered 25% tariffs on imports from Mexico and Canada and 10% on imports from China, as markets tried to gauge the impact of these measures as well as Trump's next moves. Renewed geopolitical tensions were also at the forefront during February, as Trump's headlines on both the Middle East conflict and the war in Ukraine seemed to hinder recent progress in peace talks, further increasing global uncertainty. This uncertainty, combined with shifting market dynamics, contributed to a weaker US dollar. US macroeconomic data releases were accompanied by sharp moves in both the equity and bond market, with US CPI and PPI both printing higher-than-expected, retail sales falling short of forecasts, and University of Michigan sentiment figures coming in below expectations. In the UK, the BOE cut its main interest by 25bps to 4.5% and halved its economic growth outlook for 2025. Consumer prices jumped more than expected in January, rising by 3.0% y/y vs the forecasted 2.8%. Turning to the Eurozone, the ECB cut its deposit rate by a quarter of a percentage point to 2.75%, marking the fifth rate cut since June last year. Eurozone Q4 2024 GDP growth printed at 0.1% q/q, surprising on the upside as an initial estimate had indicated no growth. Eurozone CPI increased to 2.5% y/y in January, up from 2.4% y/y in December.

Chinese technology stocks had an exceptional month, with the Hang Seng Index climbing by 13.5%, driven by large gains in Alibaba (44%) and Tencent (20%). Meanwhile, US tariffs added mounting pressure on the Chinese economy. China CPI rose to 0.5% y/y in January from 0.1% y/y in December. February was a volatile month for Japanese equities on the back of trade tensions, tariff concerns and rate hike expectations. Looking at global market returns in February (in US\$), the MSCI All Country World Index delivered -0.6%, the Bloomberg Global Aggregate Bond Index returned 1.4%, while the FTSE EPRA/NAREIT Global REIT Index posted 2.6%. The rand strengthened 0.9% against the US dollar and 0.4% against the euro, but weakened 0.9% against the pound sterling.

Equity exposure detracted from performance over the month. Conversely returns on fixed income were positive, supported by cash and currency exposure. Within equities, the core portfolio lost value, but tactical positions aided performance. In terms of the core portfolio that uses machine learning techniques to identify stock picking opportunities, concerns over global trade tariffs adversely affected returns, with the portfolio's growth style tilt suffering and only partially offset from the valuation tilt, as investors rotated away from established themes. Overall, our tactical positions added value. Holdings in Europe, China, a World ex US tracker and a short position in the S&P 500 Index were helpful to performance, however, exposure to Indonesia was a source of losses. Gains on the fixed income allocation were due to the performance of the core portfolio and tactical trades. In the core portfolio, while there has been continued volatility in duration markets, we remain broadly similarly positioned. We continue to be long in UK and Australian rates markets, the former due to stretched valuations relative to economic fundamentals, and the latter given that the Reserve Bank of Australia appears to be lagging other developed markets in easing monetary policy. We continue to be underweight lower-yielding Japanese government bonds where policy normalisation (upward) contrasts with other developed markets. We have started to shift away from our bias to be long US inflation-linked bonds (TIPS), as they have performed well so far, but would be unlikely to continue to do well if there is a continuation of weakness in business and consumer confidence as we saw over the month. Global investment-grade credit spreads moved wider for only the third month out of the previous sixteen. European spreads continued to outperform, finishing the month unchanged, while spreads in the US and the UK widened eight and four basis points, respectively. It was a relatively quiet month for the primary market, however we participated in a new issue from Johnson & Johnson. In emerging markets, we continue to be underweight in China and overweight in select LATAM markets, such as Uruguay and Brazil, as well as Indonesia and the Philippines, resulting in a broadly neutral position overall. Indonesian government bonds performed well over the month, although the currency was weaker. We continue to be long the Japanese yen (JPY), a position which is now against lower-yielding currencies such as the euro (EUR) and the Swiss franc (CHF), making it more carry-neutral compared to the original JPY vs USD position. Earlier this month, we had a larger position in JPYEUR, but we have been shifting this to JPYCHF. This adjustment is based on our expectation that the euro may become more volatile and see more upside if there is a resolution to the conflict in Russia/Ukraine. In terms of our tactical positions, our holdings of US Treasuries were the main source of gains. Rand strength against the US dollar tempered performance in February.

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 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.
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.

<sup>4</sup> 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).

Contact us

- ✉ info@mandg.co.za
- 🌐 mandg.co.za
- 📞 0860 105 775

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Application forms

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

Disclaimer

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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 M&G 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 unit trust summary with all fees and maximum initial and ongoing adviser fees is available on our website. One can also obtain additional information on M&G products on the M&G 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 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 M&G 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.