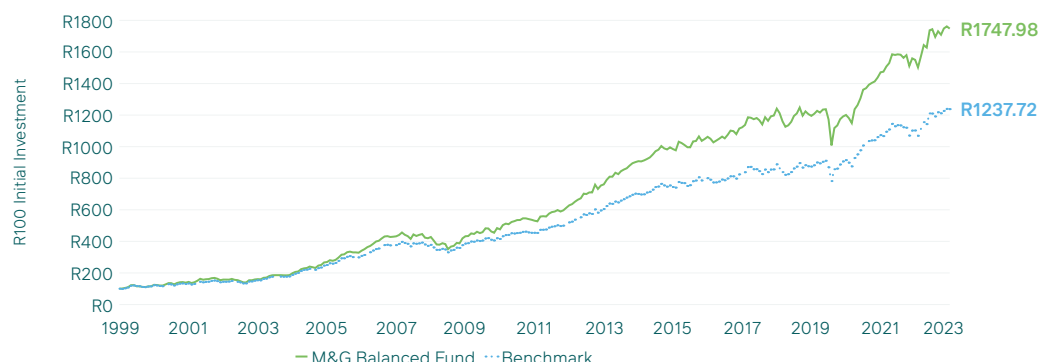


M&G Balanced Fund

Multi-asset

August 2023

Since inception cumulative performance, distributions reinvested (A class)



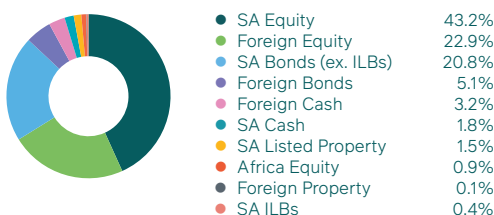
Annualised performance	A class	Benchmark	T class	X class	B class
1 year	12.8%	12.3%	13.0%	12.8%	13.3%
3 years	13.3%	10.6%	13.6%	13.4%	13.9%
5 years	7.1%	6.9%	7.4%	7.2%	7.7%
7 years	7.4%	6.4%	7.8%	7.5%	8.0%
10 years	8.7%	7.4%	-	8.9%	9.4%
20 years	12.7%	11.0%	-	-	13.6%
Since inception	12.7%	11.1%	-	-	-

Returns since inception ¹	A class	Date
Highest annualised return	44.7%	30 Apr 2006
Lowest annualised return	-21.1%	28 Feb 2009

Top 10 holdings as at 30 Jun 2023

1.	Naspers Ltd/Prosus NV	6.8%
2.	Republic of SA Bond 8.50% 310137 (R2037)	4.8%
3.	Republic of SA Bond 8.875% 280235 (R2035)	3.9%
4.	Republic of SA Bond 8.25% 310132 (R2032)	3.8%
5.	MTN Group Ltd	3.1%
6.	Standard Bank Group Ltd	2.7%
7.	Richemont	2.6%
8.	British American Tobacco	2.3%
9.	Absa Group Ltd	2.1%
10.	Sasol Ltd	2.0%

Asset allocation



Risk measures	A class	Benchmark
Monthly volatility (annualised)	10.9%	9.1%
Maximum drawdown over any period	-23.2%	-16.8%
% of positive rolling 12 months	87.0%	90.3%
Information ratio	1.2	n/a
Sortino ratio	1.7	1.2
Sharpe ratio	0.9	0.7

Investment options	A Class	T Class	I Class	X Class	B Class
Minimum lump sum investment	R10 000	R10 000	R10 000	R10 000	R20 million
Minimum monthly debit order	R500 pm	R500 pm	R500 pm	R500 pm	n/a
Annual Management Fees (excl. VAT)	A Class	T Class	I Class	X Class	B Class
M&G ²	1.00%	0.80%	1.25%	1.00%	0.60%
Financial adviser service fee (if applicable) ³	n/a	n/a	0.50%	0.50%	n/a
Expenses (incl. VAT)	A Class	T Class	I Class	X Class	B Class
Total Expense Ratio (TER)	1.38%	1.15%	1.67%	1.38%	0.93%
Transaction Costs (TC) ⁴	0.09%	0.09%	0.09%	0.09%	0.09%
Total Investment Charges (TIC)	1.47%	1.24%	1.76%	1.47%	1.02%

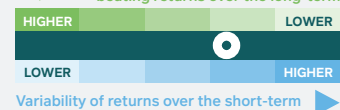
¹ 12-month rolling performance figure² The Fund can invest portions of its assets into underlying foreign investments (incl. investments into Africa). This would mainly be achieved by investing into the sub-funds of the M&G (South Africa) Global Funds ICAV and the M&G Africa Equity Fund. These funds will charge an additional asset management fee which is included in the Fund's NAV and the Fund's TER. The Manager receives a marketing and distribution fee in respect of the M&G (South Africa) Global Funds.³ The Financial Adviser Service Fee, if applicable, is included in M&G'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.

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).

Risk profile

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



Fund facts

Fund objective

To achieve steady long-term growth of capital and income by investing in a diversified combination of domestic and international assets, where the asset allocation is tactically managed.

Investor profile

A suitable fund for retirement provision and for those individuals looking to tilt their portfolio to value with controlled risk exposure. The recommended investment horizon is 5 years or longer.

Investment mandate

The Fund conforms to the regulations governing retirement fund investments (Regulation 28). Intended maximum limits: Equity 75%, Listed Property 25% and Foreign 45%.

Fund managers

David Knee
Michael Moyle
Sandile Malinga
Leonard Krüger

ASISA category

South African - Multi-Asset - High Equity

Benchmark

ASISA South African - Multi-Asset - High Equity Category Average

Inception date

2 August 1999

Fund size

R23 886 819 657

M&G Balanced Fund

Multi-asset

August 2023

Income Distributions ⁵	A Class		T Class		X Class		B Class	
	Total	12m yield	Total	12m yield	Total	12m yield	Total	12m yield
30 June 2023	11.22 cpu	3.08%	12.16 cpu	3.29%	11.09 cpu	3.08%	13.15 cpu	3.50%
31 December 2022	15.02 cpu	3.07%	15.91 cpu	3.29%	14.85 cpu	3.07%	16.85 cpu	3.50%

Fund commentary

August was a challenging month for both equity and bond markets, with investor sentiment buffeted by the possibility that interest rates will stay high for longer and some dismal economic data out of China. Despite some evidence that inflation is easing around the world, central bankers continue to emphasise that the current rates remain some way above their targets, potentially paving the way for further interest rate increases. In the US, core inflation fell to 4.7% y/y in July from 4.8% y/y in June, sparking renewed hope that the Federal Reserve (the Fed) will pause its rate hiking cycle at its September meeting. Nevertheless, Fed Chair Powell warned at the Jackson Hole Symposium that inflation remains "too high" and further tightening may be needed. Meanwhile, US Q2 GDP growth was revised downward to an annualised 2.1%, from the previously estimated 2.4%. In the UK, CPI fell to 6.8% y/y in July from 7.9% y/y in June, but core inflation remained sticky at 6.9% y/y. The BoE hiked rates by 25bp to a 15-year high of 5.25% and warned that rates will likely remain high to combat inflation. Q2 GDP growth surprised on the upside at 0.2% versus expectations that it would be flat. Turning to the Eurozone, core inflation slowed to 5.3% y/y in July from 5.5% y/y in June, potentially easing pressure on the ECB amid its fastest monetary tightening cycle on record. Eurozone GDP growth came in at 0.3% for the second quarter, following 0.1% growth in Q1.

In China, the PBoC unexpectedly cut interest rates for the second time in three months as retail sales, industrial output and investment growth disappointed, and defaults in the indebted Chinese property sector continued. China's economy grew 6.3% y/y in Q2 2023, well below the expected 7.3%. On the local front, South Africa hosted the 15th BRICS Summit, where an invitation was extended to Argentina, Egypt, Ethiopia, Iran, Saudi Arabia and the UAE to become full members of BRICS. In other news, CPI dropped from 5.4% y/y in June to 4.7% y/y in July, edging closer to the midpoint of the SARB's inflation target band. In August, the FTSE/JSE All Share Index returned -4.8% and the FTSE/JSE All Property Index delivered 0.8%. The FTSE/JSE All Bond Index returned -0.2%, inflation-linked bonds (the Composite ILB Index) posted 0.4%, and cash as measured by the STeFI Composite Index delivered 0.7%. Looking at global market returns (in US\$), the MSCI All Country World Index delivered -2.8%, the Bloomberg Global Aggregate Bond Index returned -1.4%, while the FTSE EPRA/NAREIT Global REIT Index posted -3.4%. The rand weakened 6.4% against the US dollar, and 4.8% against both the euro and pound sterling.

Detracting the most from absolute performance for the month was the fund's exposure to SA equities (excluding property).

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.
Intended maximum limits	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.
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.
Regulation 28	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.
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.
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 and TC) should not 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 Funds 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.
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. 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.

⁵ 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

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Invest now

Application forms

An electronic copy of this document is available at www.mandg.co.za

Disclaimer

MandG Investments Unit Trusts (South Africa) (RF) Ltd (Registration number: 1999/0524/06) is an approved CISC management company (#29). Assets are managed by MandG Investment Managers (Pty) Ltd, which is an approved discretionary Financial Services Provider (#45199). The Trustee/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 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.