

# M&G Global Inflation Plus Feeder Fund

Global Multi-asset ZAR-denominated

March 2025

## Since inception cumulative performance, distributions reinvested (A class)



## Annualised performance

	A class	Benchmark <sup>1</sup>	B class
1 year	-0.9%	-0.4%	-0.5%
3 years	7.8%	12.3%	8.1%
5 years	5.2%	4.5%	5.5%
7 years	8.1%	9.1%	8.5%
10 years	6.4%	6.8%	6.8%
20 years	7.4%	7.5%	-
Since inception	7.4%	7.4%	-

## Returns since inception<sup>2</sup>

	A class	Date
Highest annualised return	38.1%	28 Feb 2007
Lowest annualised return	-16.6%	30 Jun 2009

## Top holdings of the underlying fund as at 31 Mar 2025

1.	US Treasury Bill 290525	13.7%
2.	US 2 Year Treasury Note Future 0625	4.5%
3.	US Ultra Long T-Bond Future 0625	3.7%
4.	US Treasury Bond 2.25% 150252	3.4%
5.	Euro-Buxl 30yr Bond Future Jun 25	2.9%
6.	US 5 Year Treasury Note Future 0625	2.8%
7.	United Kingdom Gilt Bond 3.75% 221053	2.5%
8.	S&P 500 E-Mini Index Future 0625	2.1%
9.	Japan 2 Year Government Bond 011025	2.3%
10.	US Treasury Note 2.375% 310329	2.0%

## Risk measures

	A class	Benchmark
Monthly volatility (annualised)	12.3%	14.1%
Maximum drawdown over any period	-26.8%	-31.9%
% of positive rolling 12 months	74.3%	72.2%
Information ratio	-0.4	n/a
Sortino ratio	0.0	0.6
Sharpe ratio	0.0	0.4

## Investment options

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

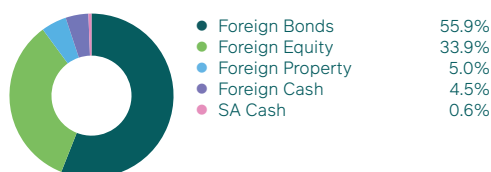
## Annual Management Fees (excl. VAT)

	A Class	B Class
M&G <sup>3</sup>	0.50%	0.20%

## Expenses (incl. VAT)

	A Class	B Class
Total Expense Ratio (TER)	1.68%	1.34%
Transaction Costs (TC) <sup>4</sup>	0.11%	0.11%
Total Investment Charges (TIC)	1.79%	1.45%

## Asset allocation as at 31 Mar 2025



## Risk profile

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



Variability of returns over the short-term ▶

## Fund facts

### Fund objective

The Fund is priced in rands and its objective, expressed in US dollar terms, is to outperform global inflation while aiming to preserve capital over the medium term.

### Investor profile

Investors seeking to preserve the real value of their capital, in US dollar terms, by investing in a diversified portfolio of global assets. The recommended investment horizon is 3 years or longer. Since units are priced in rands, investors can invest without having to expatriate rands.

### Investment mandate

The Fund is a feeder fund and, other than assets in liquid form and currency contracts, invests only in one fund – the M&G Global Inflation Plus 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 and commodities. The Fund may invest up to 40% in equity securities (excl. 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 - Low Equity

### Benchmark

Global inflation

### Inception date

1 March 2004

### Fund size

R151 315 228

### Awards

Raging Bull: 2019, 2021

<sup>1</sup> The Fund's benchmark changed from the ASISA Global - Multi Asset - Low Equity Category Mean to Global Inflation on 1 November 2018.

<sup>2</sup> 12-month rolling performance figure

<sup>3</sup> Additional underlying foreign fund fees are dependent on the fund and are included in the TER

<sup>4</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).

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March 2025

Income Distributions<sup>5</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 March, US President Donald Trump postponed the implementation of 25% tariffs he had imposed on Canada and Mexico after markets tumbled on fears of their effect on inflation. US consumer spending, which makes up two thirds of the US economy, fell by 0.2% in January after a 0.8% increase in December, raising fears that consumers are cutting back on spending due to political uncertainty. US CPI declined to 2.8% y/y in February from 3.0% y/y in January; however, some market observers believe this level is temporary as long-term inflation expectations jumped to a 32-year high. The UK saw Labour Chancellor Rachel Reeves deliver her Spring Statement, announcing a £4.8 billion cut in welfare spending, as well as a crackdown on tax avoidance and trimmed the growth forecast to 1% in 2025. UK CPI eased to 2.8% y/y in February, down from 3.0% y/y in January. European markets experienced volatility due to tariff concerns and trade tensions, but hopes for a European-led peace initiative concerning Ukraine lifted sentiment and helped the FTSE100 reach a record high. Political stability following Germany's elections also boosted markets. The ECB cut interest rates by a quarter of a percentage point to 2.5%, leaving the door open to more cuts. The central bank cut its economic growth forecast for the eurozone to 0.9% for 2025.

In China, the People's Bank of China (PBOC) maintained its key lending rates, keeping the one-year Loan Prime Rate (LPR) at 3.1% and the five-year LPR at 3.6%. AI enthusiasm boosted Chinese tech stocks, but tariff threats dragged on performance. In Japan, the announcement of a 25% tariff by the US on auto imports sparked major concerns due to the country's large auto export sector. Trade tensions and tariffs continued to contribute to market volatility. In addition, public dissatisfaction with fiscal policies erupted in protest action against the Ministry of Finance. Looking at global market returns in March (in US\$), the MSCI All Country World Index delivered -3.9%, the Bloomberg Global Aggregate Bond Index returned 0.6%, while the FTSE EPRA/NAREIT Global REIT Index posted -2.4%. The rand strengthened 0.5% against the US dollar, but weakened 3.2% against the euro and 1.9% against the pound sterling.

Equity exposure detracted from performance over the month. Within equities, the core portfolio lost value, while tactical positions aided performance. In terms of the core portfolio that uses machine learning techniques to identify stock picking opportunities, In terms of the core portfolio, we began March on a positive note, and by mid month the portfolio was up by over 1% relative to the benchmark. However, March 28 witnessed a significant market rotation, as a raft of negative news adversely affected market sentiment. Notably, the imposition of the Trump tariff on imported cars, weak US consumer sentiment data, and persistently high core inflation figures contributed to the downturn, and significant underlying rotation. Overall, our tactical positions contributed to performance. In particular, the fund's short position in the US, and Latin American exposure, were beneficial. In fixed income, the core portfolio recorded gains, whereas tactical positions lost value in the month. In the core portfolio, the broad theme during the month was to continue de-risking. In rate markets, noteworthy adjustments included reallocating holdings within Europe from KFWs to DBRIs, all within the 7 to 9-year range. Additionally, the fund moved towards longer positions in Bunds and BTPs due to the steepening of curves. In terms of our tactical positions, our holdings of long-dated German bunds, US Treasuries and UK gilts hurt performance. Rand strength against the US dollar tempered performance slightly in March.

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.
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 & TIC) should not be deducted from the fund returns.
Unit Classes	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.

<sup>5</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).

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Application forms

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