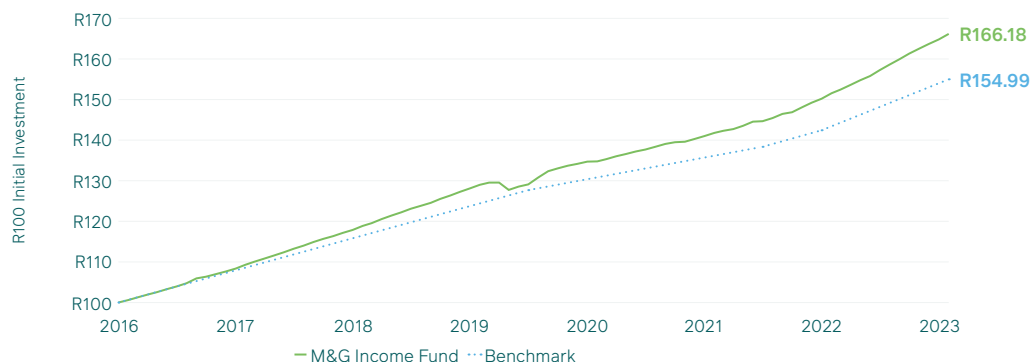


# M&G Income Fund

Income

January 2024

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



## Annualised performance

	A class	Benchmark	D class
1 year	9.6%	8.2%	9.8%
3 years	7.2%	5.8%	7.4%
5 years	6.9%	6.0%	7.1%
7 years	7.4%	6.4%	7.6%
Since inception	7.4%	6.4%	-

## 1-year income return

	A class	D class
Fund yield (net of fees)	8.5%	8.6%

## Returns since inception<sup>1</sup>

	A class	Date
Highest annualised return	9.8%	30 Sep 2023
Lowest annualised return	4.4%	31 Oct 2021

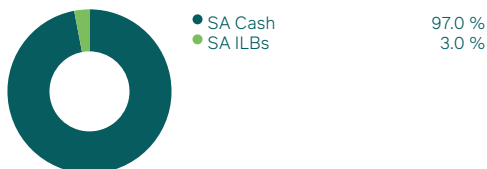
## Top issuers as at 31 Dec 2023

1. The Standard Bank of South Africa Ltd	19.0%
2. Absa Bank Ltd	15.4%
3. Republic of South Africa	10.5%
4. Nedbank Ltd	9.9%
5. Investec Bank Ltd	8.7%

## Fund characteristics

Weighted average duration	46 days
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## Asset allocation



## Investment options

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

## Annual Management Fees (excl. VAT)

	A Class	D Class
M&G	0.50%	0.40%

## Expenses (incl. VAT)

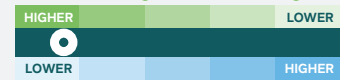
	A Class	D Class
Total Expense Ratio (TER)	0.60%	0.49%
Transaction Costs (TC) <sup>2</sup>	0.00%	0.00%
Total Investment Charges (TIC)	0.60%	0.49%

<sup>1</sup> 12-month rolling performance figure

<sup>2</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).

## 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's objective is to maximise income while providing investors with relative capital stability. This is achieved by investing in a diversified portfolio of non-equity securities in the South African market.

### Investor profile

Investors who are looking to maximise their income return over the short-to-medium term without assuming too much risk of capital loss. The recommended investment horizon is 1-2 years, or longer depending on income needs and risk profile.

### Investment mandate

The Fund invests in a flexible mix of non-equity securities in the South African market. It is suitable for short-to-medium term investors looking for an actively managed interest-bearing fund. Compared to traditional money market and enhanced cash funds, the Fund can have a longer weighted average duration (max 24 months) with no limit on the maximum maturity period for any one instrument. The Fund is managed to comply with regulations governing retirement fund investments (Reg. 28).

### Fund managers

Roshen Harry  
René Prinsloo

### ASISA category

South African - Interest Bearing - Short Term

### Benchmark

STeFI Composite Index measured over a rolling 12-month period

### Inception date

6 December 2016

### Fund size

R602 400 620

# M&G Income Fund

Income

January 2024

## Income Distributions<sup>3</sup>

	A Class		D Class	
	Total	12m yield	Total	12m yield
31 January 2024	0.84 cpu	8.11%	0.85 cpu	8.22%
31 December 2023	0.74 cpu	7.90%	0.75 cpu	8.02%
30 November 2023	0.76 cpu	7.64%	0.77 cpu	7.76%
31 October 2023	0.68 cpu	7.47%	0.69 cpu	7.58%
30 September 2023	0.79 cpu	7.15%	0.80 cpu	7.26%
31 August 2023	0.73 cpu	6.93%	0.74 cpu	7.05%
31 July 2023	0.71 cpu	6.66%	0.72 cpu	6.77%
30 June 2023	0.68 cpu	6.48%	0.68 cpu	6.59%
31 May 2023	0.87 cpu	6.05%	0.88 cpu	6.16%
30 April 2023	0.56 cpu	5.90%	0.57 cpu	6.01%
31 March 2023	0.62 cpu	5.72%	0.63 cpu	5.84%
28 February 2023	0.52 cpu	5.61%	0.53 cpu	5.73%

## Fund commentary

Financial assets had a mixed month in January, which was a stark contrast to the sharp rally seen in the final two months of 2023. On the one hand, the S&P 500 Index reached an all-time high, but on the fixed income front, there was some weakness in DM sovereign bonds, most notably UK gilts, as investors pushed out their expectations for rate cuts beyond Q1.

Locally, the MPC kept rates unchanged at 8.25% in a unanimous decision, while SA GDP growth for 2023 was revised down slightly to 0.6% (from 0.8% previously). Meanwhile SA CPI came in at 5.1% y/y in December, down from 5.5% y/y in November. In January, the FTSE/JSE All Bond Index delivered 0.7%, inflation-linked bonds (the Composite ILB Index) posted 0.1%, and cash as measured by the StEFl Composite Index returned 0.7%.

The fund returned 9.6% over the past 12 months, and 7.2% p.a. over the past 3 years.

## Glossary

<b>1-year income return</b>	The portion of the return of the Fund that is attributed to income generated over the last 12 months, assuming the investor reinvests all distributions and incurs no transaction fees or taxes.
<b>12-month yield</b>	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.
<b>Annualised performance</b>	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.
<b>Cumulative performance graph</b>	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.
<b>Income distribution</b>	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.
<b>Total Expense Ratio (TER)</b>	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.
<b>Total Investment Charges (TIC)</b>	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.
<b>Transaction Costs (TC)</b>	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.
<b>Unit class</b>	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.
<b>Weighted average duration</b>	The average length of time to maturity of all the underlying instruments in the portfolio, weighted to reflect the relative holdings of each instrument.

<sup>3</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

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## Disclaimer

**MandG Investments Unit Trusts (South Africa) (RF) Ltd** (Registration number: 1999/0524/06) is an approved CISA management company (#29). Assets are managed by MandG Investment Managers (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 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.