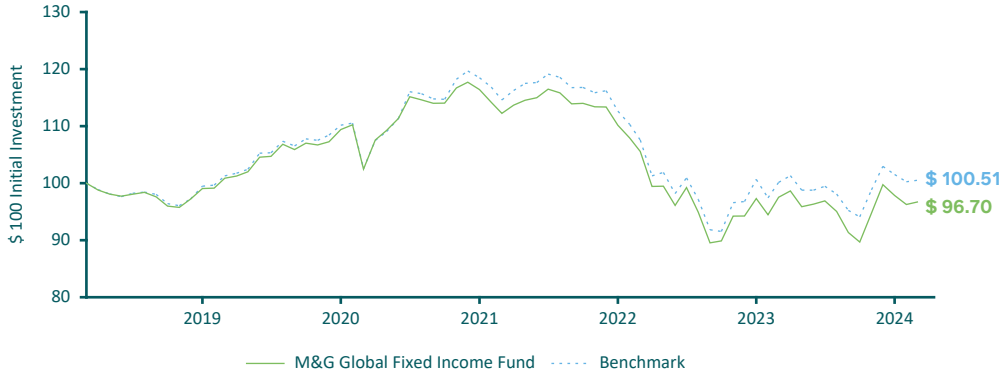


# M&G Global Fixed Income Fund

Global Income USD-denominated

March 2024

## Since inception cumulative performance (C Class)



## Annualised performance

	C Class	Benchmark <sup>1</sup>
1 year	-0.9%	0.4%
2 years	-4.3%	-3.3%
3 years	-4.8%	-4.3%
5 years	-0.8%	-0.2%
Since inception	-0.6%	0.1%

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

	C Class	Date
Highest annualised return	11.5%	31 Oct 2019
Lowest annualised return	-21.4%	30 Sep 2022

## Top 10 holdings as at 31 March 2024

1. Japan Government Ten Year Bond 0.6% 200624	17.9%
2. European Union Bond 3.25% 040734	10.0%
3. United States Treasury Note/Bond Bond 3% 150247	7.9%
4. US Dollar Cash	6.5%
5. United States Treasury Note Bond 4.125% 151132	5.6%
6. United States Treasury Note Bond 3.375% 150842	5.4%
7. United States Treasury Note Bond 3% 151144	4.6%
8. Deutschland ILB 0.5% 150430	4.4%
9. US Treasury Inflation Index Bond 0.75% 150245	2.7%
10. Canadian Government Bond 3.75% 010225	2.5%

## Asset allocation



## Risk measures

	C Class	Benchmark
Monthly volatility (annualised)	8.4%	8.3%
Maximum drawdown over any period	-23.9%	-23.5%
% of positive rolling 12 months	60.7%	68.9%

## Investment options

	C Class
Minimum lump sum investment	\$5 million
Minimum additional investment	\$1 000
Minimum holding amount	\$10 000

## Annual management fees

	C Class
M&G Investments <sup>3</sup>	0.50%

## Expenses

	C Class
Total Expense Ratio (TER)	0.59%
Transaction Costs (TC) <sup>4</sup>	0.00%
Total Investment Charges (TIC)	0.59%

## Transactional information

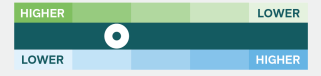
Dealing date:	Every business day
Settlement period:	3 business days after the relevant dealing date
Cut-off times:	14h00 (UK time)

## Investment code

Investment code	ISIN	Bloomberg
C Class	IE00BYVRS148	PRUGFA ID

## Risk profile

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



## Fund facts

### 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 Fund may also be suitable for investors who are prohibited from having exposure to financial derivative instruments. The recommended investment horizon is 2 years (or longer when used as strategic exposure to the asset class).

### Investment mandate

The Fund aims to achieve its investment objective by investing in a diversified portfolio of global debt and fixed income securities. The Fund may also invest in other collective investment schemes, but is not permitted to invest in financial derivative instruments.

### Investment manager

M&G Investment Management Limited (UK)

### Fund managers

Eva Sun-Wai  
Robert Burrows

### Morningstar category

Global Corporate Bond

### Benchmark

Bloomberg Global Aggregate Treasury Bond Index

### Inception date

26 March 2018

### Fund size

USD 22.3 million

### Currency

US Dollar

### Share type

Accumulation

### Domicile

Ireland

<sup>1</sup> The Fund's benchmark changed from the Bloomberg Global Aggregate Corporate Bond Index to the Bloomberg Global Aggregate Bond Index on 17 May 2023, and to the Bloomberg Global Aggregate Treasury Bond Index on 28 February 2024

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

<sup>3</sup> Class C ACC Shares will only be available to clients of M&G Investments Southern Africa (M&G SA) or its subsidiaries where M&G SA or its subsidiaries have been appointed as investment manager.

<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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## Other information

Alternative Investment Fund Manager (AIFM):	Waystone Management Company (IE) Limited
Distributor:	MandG Investments Unit Trusts (South Africa) (RF) Limited
Depository:	State Street Custodial Services (Ireland) Limited
Administrator:	State Street Fund Services (Ireland) Limited

## Fund commentary

Most stock markets and bond markets around the world ended the first quarter in high spirits, posting gains in March. Several stock markets hit all-time highs, while developed market sovereign bonds recorded their first monthly gain of 2024. In the US, investors cheered the Federal Reserve's (the Fed's) sticking to its rate-cutting scenario in the face of stubborn inflation and strong economic data, with Fed Chair Jerome Powell saying the central bank was not far from reaching the confidence it needs that "inflation is moving sustainably down to 2%". While the Fed kept its interest rates flat, as expected, in the 5.25%-5.50% range, policymakers pencilled in three 25bp cuts by the end of 2024. US CPI ticked up slightly to 3.2% y/y in February, marginally higher than expected. In the UK, inflation rose to 3.4% y/y in February, below expectations of 4.0% and paving the way for the BoE to cut rates later in 2024. Meanwhile, optimistic corporate news sent European shares to record highs, with upbeat earnings updates and some M&A news boosting investor confidence. Eurozone CPI fell to 2.6% y/y in February, just above expectations of 2.5%, while core inflation was 3.1% y/y, still well above the ECB's target of 2.0%. The ECB left rates unchanged, even as a softer inflation outlook and economic growth bolstered expectations for cuts starting in June.


China's equity markets recorded small gains, ending their long losing streak as certain economic data registered improvement and investors were tempted by cheap valuations. China's February CPI rose to 0.7% y/y, beating expectations of 0.3% due to spending linked to the Lunar New Year. The PBOC left a key policy rate unchanged as expected in February. Some analysts see China's 5% growth target for 2024 as 'ambitious' given the current government stimulus. In Japan, the BOJ made its first rate hike in 17 years, setting a new short-term rate target of 0-0.1% and ending eight years of negative interest rates. The Bloomberg Global Aggregate Treasury Bond Index returned 0.3% in March.

As 2024 progresses, we continue to believe that the main opportunity remains in duration. We think the more likely scenario for this year is not a soft landing, but a slowdown followed by central banks cutting interest rates. Therefore we want to be exposed to government bonds and longer in interest rate duration, which we would expect to perform well in such a scenario. We have a preference where applicable for adding to front end positions and selling longer end positions in anticipation of steepening curves: we purchased front end Japan and Norway bonds in March. We also participated in a relative value switch between South Africa sovereign bonds.

## Glossary

<b>Accumulation class</b>	An accumulation class does not make income distributions. Income is accrued daily in the net asset value of the class.
<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>Maximum drawdown</b>	The largest drop in the Fund's cumulative total return from peak to trough over any period.
<b>Monthly volatility (annualised)</b>	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).
<b>Percentage of positive rolling 12 months</b>	The percentage of months, since inception, that the Fund has shown a positive return over a rolling 12-month period.
<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>Transaction Costs (TC)</b>	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.
<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, TC & TIC) should not be deducted from the fund returns.
<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.

## Contact us

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

## Disclaimer

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