

M&G Money Market Fund rated “AA+(ZA)(f)” with a Stable Outlook

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Naleni Govender
Head of Institutional Business

We are pleased to share that the [M&G Money Market Fund](#) has received an initial national scale rating of AA+(ZA)(f), with a Stable Outlook, from GCR Ratings, an affiliate of Moody’s Investors Service. This is in line with the money market funds of many of South Africa’s other top investment managers.

The rating provides an independent opinion regarding our fund’s ability to preserve principal value under varying market conditions, helping investors gauge the “safety” of their investment. The AA+ rating from GCR is the second-highest on its national rating scale, signifying a “very high credit quality relative to other issuers or obligations in the same country”.

In announcing the new rating, GCR said: “We believe that the fund is well managed within a controlled environment and management has the capacity and capability to achieve the fund’s objectives set within mandate constraints.”

Over the past 12 months, the fund returned 7.8%, beating both its benchmark’s 7.3% return and inflation at 4.8% y/y in August 2023. Since its inception 21 years ago it has beat its benchmark, the STeFI Call Deposit Index, by meaningful margins, as shown in the table below. We’re pleased to have our consistent management and expertise valued, delivering to clients as promised and beyond.

Annualised performance	A class	Benchmark
1 year	7.8%	7.3%
3 years	5.4%	5.0%
5 years	5.9%	5.4%
7 years	6.4%	5.8%
10 years	6.3%	5.8%
20 years	7.0%	6.7%
Since inception	7.3%	7.1%

Source: Morningstar, for the period to 30 September 2023

Surpassing short-term bank deposit rates

The M&G Money Market Fund aims to protect investors’ capital in an absolute sense, while also delivering a return above those offered by short-term bank deposits. It is suited to investors seeking a low-risk option, prioritising stability in the short-term and protection from the fluctuations typically seen in equity and bond markets, while aiming for returns that surpass inflation. The recommended investment horizon is from one to 12 months.

The fund is managed by Roshen Harry and René Prinsloo, who combined have over four decades of experience working in the industry. Roshen joined M&G Investments in 2006 and is the joint Portfolio Manager of several M&G funds, including the Enhanced Income, High Interest, Income and Money Market Funds. René joined M&G in 2019 as a Fixed Income Analyst and was promoted to Portfolio Manager in 2021. He is the joint Portfolio Manager of the M&G Money Market, High Interest and Income Funds.

The M&G Money Market Fund is managed in line with retirement fund regulations (Regulation 28). It invests in local, short-term money market instruments with a maturity of less than 13 months. For example, the majority of its current holdings includes negotiable certificates of deposit (NCDs) or short-term debt issued by South Africa's largest banks, as well as SA Treasury bills. For the fund managers, it is more important to protect capital than to deliver capital growth over time.

The Fund is a reliable option for both individuals and companies wanting a safe solution that is likely to deliver returns above bank deposits. For companies it can be a convenient parking bay for near-term expenses, while for individuals it is suitable for building up an emergency fund or saving for a near-term goal, while also featuring the lowest asset management fees of M&G's range of unit trusts.

For more information on investing in the M&G Money Market Fund, please contact our Client Services Team on 0860 105 775 or email us at info@mandg.co.za.

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