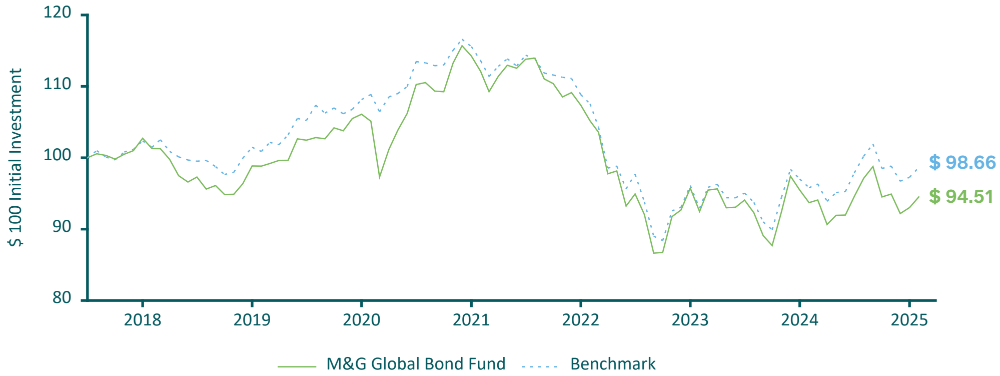
M&G Global Bond Fund

Global Income USD-denominated

February 2025

Since inception cumulative performance (B Class)



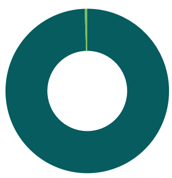
Annualised performance

Annualised performance	B Class	Benchmark
1 year	0.9%	3.0%
2 years	1.1%	3.0%
3 years	-3.5%	-2.8%
5 years	-2.1%	-2.0%
7 years	-1.0%	-0.4%
Since inception	-0.7%	-0.2%

Returns since inception[1]

Returns since inception[1]	B Class	Date
Highest annualised return	12.3%	31 Mar 2021
Lowest annualised return	-22.0%	30 Sep 2022

Asset allocation



Bonds	91.0%
Cash	9.0%

Top 10 holdings as at 31 December 2024

1.	US 2 Year Treasury Note Future 0325	10.3%
2.	US Treasury Inflation Index Bond 0.375% 150127	6.9%
3.	US Treasury Bond 0.875% 300626	5.3%
4.	US Dollar Cash	5.1%
5.	US 5 Year Treasury Note Future 0325	4.9%
6.	US Treasury Bond 2.375% 310329	4.8%
7.	Kreditanstalt fuer Wieder Bond 2.625% 100134	4.1%
8.	UK Gilt Bond 4.125% 290127	4.0%
9.	US Treasury Inflation Index Bond 0.125% 150426	3.8%
10.	Deutschland Bond 1.7% 150832	3.6%

Risk measures

Risk measures	B Class	Benchmark
Monthly volatility (annualised)	8.4%	6.7%
Maximum drawdown over any period	-25.1%	-24.2%
% of positive rolling 12 months	51.2%	56.3%

Investment options[2]

Investment options[2]	B Class
Minimum lump sum investment	$2.5 million
Minimum additional investment	$1 000
Minimum holding amount	$10 000

Annual management fees

Annual management fees	B Class
M&G Investments	0.60%

Expenses

Expenses	B Class
Total Expense Ratio (TER)	0.71%
Transaction Costs (TC)[3]	0.00%
Total Investment Charges (TIC)	0.71%

Transactional information

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

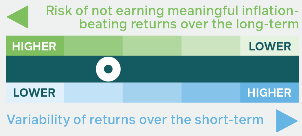
Investment code	ISIN	Bloomberg
B Class	IE00BYQDDJ00	PRGLBBA ID

[1] 12-month rolling performance figure

[2] The minimums apply to direct investments into the Fund. Investors can also access the Fund via leading offshore investment platforms, in which case platform minimums apply

[3] 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



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 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 invest in other collective investment schemes and in financial derivative instruments.

Investment manager
M&G Investment Management Limited (UK)

Fund managers
Eva Sun-Wai
Robert Burrows

Morningstar category
Global Flexible Bond

Benchmark
Bloomberg Global Aggregate Bond Index

Inception date
9 June 2017

Fund size
USD 195.4 million

Currency
US Dollar

Share type
Accumulation

Domicile
Ireland

Sources: M&G Investments and Morningstar

M&G Investments

M&G Global Bond Fund

Global Income USD-denominated

February 2025

Other information

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

Fund commentary

In February, the world witnessed the full force of Trump 2.0's policy shift, with the announcement of tariffs targeting Canada, Mexico, and China on the very first day of the month. Stock markets fell and the dollar jumped after US President Donald Trump ordered 25% tariffs on imports from Mexico and Canada and 10% on imports from China, as markets tried to gauge the impact of these measures as well as Trump's next moves. Renewed geopolitical tensions were also at the forefront during February, as Trump's headlines on both the Middle East conflict and the war in Ukraine seemed to hinder recent progress in peace talks, further increasing global uncertainty. This uncertainty, combined with shifting market dynamics, contributed to a weaker US dollar. US macroeconomic data releases were accompanied by sharp moves in both the equity and bond market, with US CPI and PPI both printing higher-than-expected, retail sales falling short of forecasts, and University of Michigan sentiment figures coming in below expectations. In the UK, the BOE cut its main interest by 25bps to 4.5% and halved its economic growth outlook for 2025. Consumer prices jumped more than expected in January, rising by 3.0% y/y vs the forecasted 2.8%. Turning to the Eurozone, the ECB cut its deposit rate by a quarter of a percentage point to 2.75%, marking the fifth rate cut since June last year. Eurozone Q4 2024 GDP growth printed at 0.1% q/q, surprising on the upside as an initial estimate had indicated no growth. Eurozone CPI increased to 2.5% y/y in January, up from 2.4% y/y in December.

Chinese technology stocks had an exceptional month, with the Hang Seng Index climbing by 13.5%, driven by large gains in Alibaba (44%) and Tencent (20%). Meanwhile, US tariffs added mounting pressure on the Chinese economy. China CPI rose to 0.5% y/y in January from 0.1% y/y in December. February was a volatile month for Japanese equities on the back of trade tensions, tariff concerns and rate hike expectations. The Bloomberg Global Aggregate Bond Index returned 1.4% in February.

While there has been continued volatility in duration markets, we remain broadly similarly positioned. We continue to be long in UK and Australian rates markets, the former due to stretched valuations relative to economic fundamentals, and the latter given that the Reserve Bank of Australia appears to be lagging other developed markets in easing monetary policy. We continue to be underweight lower-yielding Japanese government bonds where policy normalisation (upward) contrasts with other developed markets. We have started to shift away from our bias to be long US inflation-linked bonds (TIPS), as they have performed well so far, but would be unlikely to continue to do well if there is a continuation of weakness in business and consumer confidence as we saw over the month. Global investment-grade credit spreads moved wider for only the third month out of the previous sixteen. European spreads continued to outperform, finishing the month unchanged, while spreads in the US and the UK widened eight and four basis points, respectively. The convergence in spreads across geographies over recent months means that ranges are much tighter, with investment-grade spreads in dollar, euro, and sterling markets finishing February at 87, 91, and 95, respectively. Despite spreads widening, returns across all markets were positive due to a move lower in government bond yields. It was a relatively quiet month for the primary market, however we participated in a new issue from Johnson & Johnson. In emerging markets, there has been no significant evolution of positioning over the month. We continue to be underweight in China and overweight in select LATAM markets, such as Uruguay and Brazil, as well as Indonesia and the Philippines, resulting in a broadly neutral position overall. Indonesian government bonds performed well over the month, although the currency was weaker. We continue to be long the Japanese yen (JPY), a position which is now against lower-yielding currencies such as the euro (EUR) and the Swiss franc (CHF), making it more carry-neutral compared to the original JPY vs USD position. Earlier this month, we had a larger position in JPYEUR, but we have been shifting this to JPYCHF. This adjustment is based on our expectation that the euro may become more volatile and see more upside if there is a resolution to the conflict in Russia/Ukraine.

Glossary

Accumulation class	An accumulation class does not make income distributions. Income is accrued daily in the net asset value of the class.
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.
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.
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 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.

Contact us

info@mandg.co.za

mandg.co.za

0860 105 775

Invest now

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

Disclaimer

Sources: M&G Investments and Morningstar