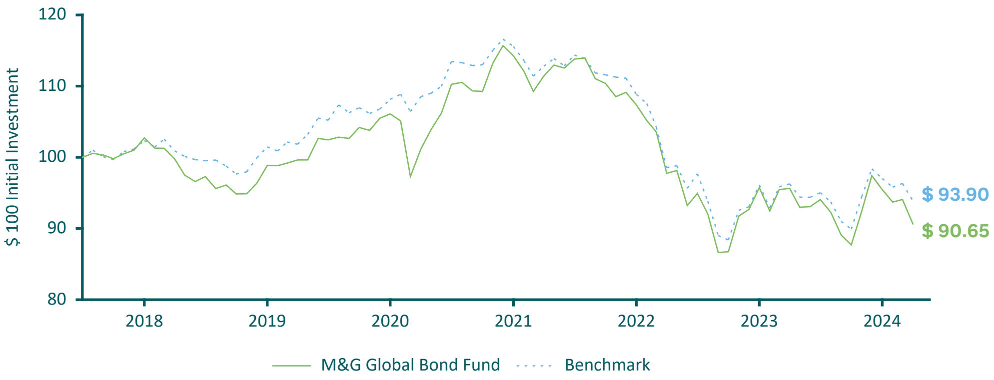
M&G Investments

M&G Global Bond Fund

Global Income USD-denominated

April 2024

Since inception cumulative performance (B Class)



Annualised performance

Annualised performance	B Class	Benchmark
1 year	-5.2%	-2.5%
2 years	-3.7%	-2.4%
3 years	-6.6%	-5.9%
5 years	-1.9%	-1.6%
Since inception	-1.4%	-0.9%

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

Top 10 holdings as at 31 March 2024

1.	US 2 Year Treasury Note Future 0624	15.7%
2.	US Treasury Inflation Index Bond 0.375% 150127	10.7%
3.	United Kingdom Gilt Bond 4.125% 290127	5.7%
4.	US Treasury Note 4.125% 151132	4.0%
5.	US Treasury Note 0.875% 300626	3.9%
6.	US Treasury Bond 3% 151144	3.6%
7.	Euro-Oat Future June 24	2.5%
8.	US Treasury Bond 3.375% 150842	2.4%
9.	US Treasury Inflation Index Bond 0.75% 150245	2.2%
10.	US Treasury Bond 3% 150247	2.1%

Risk measures	B Class	Benchmark
Monthly volatility (annualised)	8.5%	6.7%
Maximum drawdown over any period	-25.1%	-24.2%
% of positive rolling 12 months	50.0%	51.4%

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	B Class
M&G Investments	0.60%

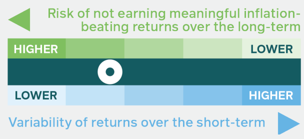
Expenses	B Class
Total Expense Ratio (TER)	0.72%
Transaction Costs (TC)[3]	0.00%
Total Investment Charges (TIC)	0.72%

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

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
Jim Leaviss
Eva Sun-Wai
Robert Burrows

Morningstar category
Global Flexible Bond

Benchmark
Bloomberg Global Aggregate Bond Index

Inception date
9 June 2017

Fund size
USD 161.5 million

Currency
US Dollar

Share type
Accumulation

Domicile
Ireland

[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).

Sources: M&G Investments and Morningstar

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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
Depositary:	State Street Custodial Services (Ireland) Limited
Administrator:	State Street Fund Services (Ireland) Limited

Fund commentary

In general, both equities and bonds were weaker in April. This was mainly due to growing evidence of sticky US inflation, which raised questions as to whether the US Federal Reserve (Fed) would be able to cut rates this year. A sequence of robust economic data in the US early in the month, together with disappointing inflation readings, prompted US Fed Chair Jerome Powell to say that recent data did not give the Fed greater confidence that inflation was moving sustainably towards its 2% target. Instead, he said the data "indicate that it's likely to take longer than expected to achieve that confidence". As a consequence, investors pushed back the timing of expected US interest rate cuts from June to September. US consumer prices increased by 3.5% y/y in March, the biggest rise in six months and ahead of the 3.4% forecast. Meanwhile, US GDP growth came in weaker than expected for Q1 2024 at 1.6% (q/q, annualised), well below the 2.4% expectation. In the UK, inflation eased to 3.2% y/y in March from February's 3.4%, but still above the BOE's 2.0% target. The UK economy is expected to expand 0.4% in 2024, then accelerate to 1.2% and 1.4% growth in 2025 and 2026, respectively. Turning to the Eurozone, CPI declined unexpectedly to 2.4% y/y in March from 2.6% the previous month, fuelling hopes that the ECB will start to bring down interest rates from their record high. The ECB said rate cuts are data-dependent, not Fed-dependent, hinting that it was still considering easing monetary policy despite the Fed's unmoving stance. The Eurozone's Q1 2024 GDP, at 0.3%, was better than expected after two successive quarters of 0.1% contraction.

China's economy grew at a stronger-than-expected 5.3% y/y in Q1 2024, above the 4.6% estimate. This was due to robust expansion in high-tech manufacturing and prompted a rally in equity markets. China's CPI was weaker than expected in March at 0.1% y/y. In Japan, the BOJ kept interest rates around zero as widely expected and signalled its readiness to hike borrowing costs later this year. The Bloomberg Global Aggregate Bond Index returned -2.5% in April.

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. Conversely, we continue to seek to position the portfolio more defensively in credit and risk markets. In response to inflows during the month, we topped up some sovereign bond positions, including the UK, US and Germany. Conversely, we reduced our exposure to Italian BTPs in light of recent outperformance against German bunds and other peripheral bonds and noting a less constructive fiscal picture in Italy, in our view. We also switched some French OATs for some EU supranational bonds, which we believe have less fiscal risk. With Thames Water still in the news, we sold some Thames Water bonds maturing in 2031 and cognisant of wider spill over risks, we also sold Wessex Water and reduced some Southern Water exposure. We sold some longer end sterling bonds, as we believe this part of the market looks expensive.

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.

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Invest now

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Disclaimer

Sources: M&G Investments and Morningstar