

M&G Global Property Feeder Fund

Global Property ZAR-denominated

December 2023

Since inception cumulative performance, distributions reinvested (A class)



Annualised performance

	A class	Benchmark	B class
1 year	23.5%	18.6%	23.5%
2 years	-2.0%	-2.5%	-1.8%
Since inception	1.1%	1.0%	-

Returns since inception¹

	A class	Date
Highest annualised return	23.5%	31 Dec 2023
Lowest annualised return	-22.3%	31 Dec 2022

Top holdings of the underlying fund as at 31 Dec 2023

1. SPDR Dow Jones Global Real Estate ETF	6.3%
2. Prologis Inc	4.3%
3. Realty Income Corp	3.4%
4. Simon Property Group Inc	2.5%
5. Equinix Inc	2.2%
6. Boardwalk Real Estate Investment Trust	2.1%
7. Charter Hall Social Infrastructure REIT	2.1%
8. OUE Commercial REIT	2.1%
9. Slate Grocery REIT	2.1%
10. Welltower Inc	2.0%

Risk measures

	A class	Benchmark
Monthly volatility (annualised)	24.8%	21.7%
Maximum drawdown over any period	-23.9%	-20.3%

Investment options

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

Annual Management Fees (excl. VAT)

	A Class	B Class
M&G ²	0.50%	0.20%

Estimated Expenses (incl. VAT)

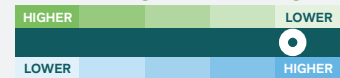
	A Class	B Class
Total Expense Ratio (TER)	1.45%	1.11%
Transaction Costs (TC) ³	0.20%	0.20%
Total Investment Charges (TIC)	1.65%	1.31%

Asset allocation



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

To provide investors with capital growth over the long-term by investing in a diversified portfolio of global property securities.

Investor profile

Investors seeking long-term capital growth from a diversified portfolio of global property securities. The recommended investment horizon is 7 years or longer.

Investment mandate

The Fund is a feeder fund and, other than assets in liquid form and currency contracts, invests only in one underlying fund - the M&G Global Property Fund. Quantitative analysis of individual companies, proprietary data analysis and machine learning are used to identify securities for potential inclusion by the fund managers. Through this underlying fund, the Fund has exposure to a diversified portfolio of global property securities that may include REITs and equity securities of companies engaged in real estate activities. The underlying fund may invest in other collective investment schemes and financial derivative instruments.

Investment manager of the underlying fund

M&G Investment Management Ltd (UK)

Fund managers of the underlying fund

Gautam Samarth

ASISA category

Global - Real Estate - General

Benchmark

FTSE EPRA NAREIT Global REITs Index (Net)

Inception date

24 November 2021

Fund size

R12 439 996

¹ 12-month rolling performance figure

² Additional underlying foreign fund fees are dependent on the fund and are included in the TER

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).

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Income Distributions⁴

	A Class		B Class	
	Total	12m yield	Total	12m yield
31 December 2023	0.00 cpu	0.00%	0.00 cpu	0.00%
30 June 2023	0.00 cpu	0.00%	0.00 cpu	0.00%

Fund commentary

December saw global market gains driven by the US Federal Reserve's (The Fed's) unexpectedly positive forecasts at their 13 December policy meeting; besides leaving interest rates on hold as expected, they clearly forecast three 25bp interest rate cuts in 2024 and a "soft landing" for the US economy. The Fed's forecasts for 2024 showed inflation falling gradually toward its 2% target amid a slowdown in growth, without steep job losses. Unemployment is seen rising to 4.1% from its current 3.7% level, while GDP growth is forecast to average 1.3% for the year. At 3.1% y/y, November CPI was in line with expectations and down from October's 3.2% y/y, helped by lower energy prices. In the UK, the Bank of England (BoE) kept its main interest rate unchanged at 5.25% at its December meeting, saying its next move would remain data-dependent. Nevertheless, the market is pricing in rate cuts from June 2024. The UK economy is on the verge of recession, having recorded 0% GDP growth in Q3 2023, and with the BoE downgrading its growth forecast for 2024 to 0% from 0.5% previously. Meanwhile, November CPI fell sharply to 3.9% y/y from 4.6% y/y in October. Turning to the Eurozone, the ECB left interest rates on hold as inflation continued to fall: November CPI came in at 2.4% y/y, nearing the ECB's 2% target rate. The ECB remained hawkish, continuing to warn of upside inflation risks from energy prices and labour costs, and discounting the possibility of interest rate cuts in the foreseeable future. GDP growth in the area registered a paltry 0.1% y/y in Q3 2023.

In China, Q3 GDP growth came in at a stronger-than-expected 4.9% y/y (vs 4.4% y/y forecast). While the government is likely to meet its 5% GDP growth target for 2023, the absolute level of growth has continued to disappoint. Exports remained under pressure from relatively weaker foreign demand, but looser monetary policy from the People's Bank of China (PBOC) has added stimulus through lowering bank rates for its medium-term lending facilities. November data showed industrial production grew faster than expected at 6.6% y/y (versus 5.6%). The FTSE EPRA/NAREIT Global REIT Index posted 9.7% in December. The rand strengthened 3.0% against the US dollar, 1.5% against the euro and 2.1% against the pound sterling.

A key attribute of portfolio construction within the fund is that active country, currency and industry exposures are constrained to ensure that style and idiosyncratic stock risk are the main drivers of active returns. Both style and stock selection contributed to performance during the month. Within style, exposure to smaller size, cheap valuation and high momentum factors, all contributed to returns. Rand strength against the US dollar tempered performance in December.

Glossary

12-month yield	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.
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.
Income distribution	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.
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).
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.
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 and TIC) should not be deducted from the fund returns.
Transaction Costs (TC)	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.
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. 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.

⁴ 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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Application forms

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

Disclaimer

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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.