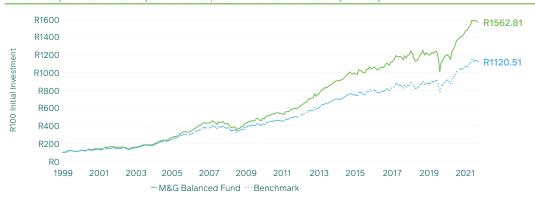


M&G Balanced Fund

Since inception cumulative performance, distributions reinvested (A class)



Annualised performance	A class	Benchmark	T class	X class	B class
1 year	12.2%	8.4%	12.5%	12.3%	12.7%
3 years	7.8%	7.8%	8.1%	7.9%	8.3%
5 years	7.2%	6.7%	7.6%	7.4%	7.9%
7 years	6.5%	5.6%	7.0%	6.7%	7.2%
10 years	10.1%	8.4%	-	-	10.8%
Since inception	12.9%	11.3%	-	-	-

Returns since inception ¹	A class	Date	
Highest annualised return	44.7%	30 Apr 2006	
Lowest annualised return	-21.1%	28 Feb 2009	

Top 10 holdings as at 31 Mar 2022

	o to thoramigo do de o timar zozz	
1.	M&G Worldwide Managed Fund	15.3%
2.	M&G Worldwide Strategic Managed Fund	6.8%
3.	Republic of SA Bond 8.875% 280235 (R2035)	4.0%
4.	M&G Corporate Bond Fund	4.0%
5.	MTN Group Ltd	3.6%
6.	Standard Bank Group Ltd	3.5%
7.	M&G High Interest Fund	3.5%
8.	Sasol Ltd	3.1%
9.	Republic of SA Bond 8.25% 310332 (R2032)	3.0%
10	Republic of SA Bond 8 50% 310137 (R2037)	2.9%

Risk measures	A class	Benchmark
Monthly volatility (annualised)	10.9%	9.1%
Maximum drawdown over any period	-23.2%	-16.8%
% of positive rolling 12 months	86.2%	90.0%
Information ratio	0.0	n/a
Sortino ratio	0.3	0.4
Sharpe ratio	0.2	0.3

Asset allocation



- SA Equity 46.6%
- SA Bonds (ex. Inflation-linked Bonds) 20.5%
- Foreign Equity 19.1% Foreign Cash 4.9%
- SA Cash 3.0%
- Foreign Bonds 2.4%
- SA Listed Property 2.0% Africa Equity 1.0%
- SA Inflation-linked Bonds
- 0.4%
- Foreign Property 0.1%

April 2022 Risk profile



Fund facts

Fund objective

To achieve steady long-term growth of capital and income by investing in a diversified combination of domestic and international assets, where the asset allocation is tactically managed.

Investor profile

A suitable fund for retirement provision and for those individuals looking to tilt their portfolio to value with controlled risk exposure. The recommended investment horizon is 5 years or longer.

Investment mandate

The Fund conforms to the regulations governing retirement fund investments (Regulation 28). Intended maximum limits: Equity 75%, Listed Property 25% and Foreign 45%

Fund managers

David Knee Michael Moyle Sandile Malinga Leonard Krüger

ASISA category

South African - Multi-Asset - High Equity

Benchmark

ASISA South African - Multi-Asset - High **Equity Category Average**

Inception date

2 August 1999

Fund size

R21 039 984 512

Investment options	A Class	T Class	I Class	X Class	B Class
Minimum lump sum investment	R10 000	R10 000	R10 000	R10 000	R20 million
Minimum monthly debit order	R500 pm	R500 pm	R500 pm	R500 pm	n/a
Annual Management Fees (excl. VAT)	A Class	T Class	I Class	X Class	B Class
M&G ²	1.00%	0.80%	1.25%	1.00%	0.60%
Financial adviser service fee (if applicable) 3	n/a	n/a	0.50%	0.50%	n/a
Expenses (incl. VAT)	A Class	T Class	I Class	X Class	B Class
Total Expense Ratio (TER)	1.44%	1.15%	1.66%	1.38%	0.92%
Transaction Costs (TC) ⁴	0.09%	0.09%	0.09%	0.09%	0.09%
Total Investment Charges (TIC)	1.53%	1.24%	1.75%	1.47%	1.01%

¹²⁻month rolling performance figure

M&G Balanced Fund Sources: M&G and Morningstar

^{*12-}month rolling performance tigure

2 The Fund can invest portions of its assets into underlying foreign investments (incl. investments into Africa). This would mainly be achieved by investing into the sub-funds of the M&G (South Africa) Global Funds ICAV and the M&G Africa Equity Fund. These funds will charge an additional asset management fee which is included in the Fund's NAV and the Fund's TER. The Manager receives a marketing and distribution fee in respect of the M&G (South Africa) Global Funds.

3 The Figure 11 Advices Fourier Fee (Feetleshles is included in M&G (Section 1).

³ The Financial Adviser Service Fee, if applicable, is included in M&G's annual management

fee above. An Ongoing Adviser Fee, over and above the Financial Adviser Service Fee. tee above. An Ongoing Adviser Fee, over and above the Financial Adviser Service Fee, may be negotiated between the Investor and Financial Adviser. Should you agree to an Ongoing Adviser Fee, it will be paid via the regular repurchase of units. "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).



M&G Balanced Fund

Multi-asset

April 2022

Income Distributions ⁵	A Class	T Class	X Class	B Class
	Total 12m yield	Total 12m yield	Total 12m yield	Total 12m yield
31 December 2021	13.62 cpu 1.99%	14.49 cpu 2.18%	13.48 cpu 2.08%	15.41 cpu 2.37%
30 June 2021	9.01 cpu 2.61%	9.79 cpu 2.81%	9.57 cpu 2.61%	10.62 cpu 3.00%

Fund commentary

Global equity markets retreated in April over concerns of a slowdown in global growth, rising inflation and further policy tightening from major central banks. Further pressure came in the form of supply disruptions stemming from the Russia-Ukraine war and increased sanctions imposed on Russia by Western nations. In the US, the economy contracted by 1.4% (q/q, annualised) in Q1 2022, well below market forecasts of a 1.1% expansion, primarily due to a near-record trade deficit and a decline in inventory investment. Annual inflation accelerated to 8.5% in March, the highest reading since December 1981. Federal Reserve Chairman Jerome Powell reiterated the central bank's commitment to curbing inflationary pressure, while alluding to the possibility of a 50bps rate hike in May. In the UK, annual inflation increased to 7% in March, above market forecasts of 6.7% and marking the highest reading since March 1992. The largest upward pressure came from motor fuels and petrol costs following supply disruptions brought on by the Russia-Ukraine war. The Euro Area economy expanded by 0.2% (q/q, annualised) in Q1 2022, below market expectations of a 0.3% increase. Annual inflation rose to a fresh record high of 7.5% in April from 7.4% in March, well above the ECB's 2% target, as the Russia-Ukraine war continued to push commodity prices higher. Meanwhile, the ECB confirmed that net asset purchases would be concluded in the third quarter, and that any adjustments to the interest rate would take place thereafter and be gradual.

In China, the economy grew by a seasonally adjusted 1.3% q/q in Q1 2022. China's economy is expected to continue its recovery despite multiple headwinds locally and abroad, with the government having launched several fiscal stimuli since the beginning of the year in a bid to fast-track an economic recovery. In April, the People's Bank of China cut its benchmark reserve requirement ratio for all banks by 25bps in an effort to boost their long-term funds and kept borrowing costs of its medium-term lending facility steady for the third straight month. In South Africa, concerns persisted over the country's economic recovery following the devastating floods in KwaZulu-Natal and parts of the Eastern Cape. President Cyril Ramaphosa declared a National State of Disaster following the event, which is estimated to have cost the country around R17bn in damages. Further weighing on investor sentiment was the prospect of a fifth wave of Covid-19 infections, and the news that Eskom would begin reimplementing nationwide loadshedding. In more positive news, Moody's Investors Service revised South Africa's sovereign credit rating outlook from negative to stable and affirmed its debt grade at 'Ba2'.

In April, the FTSE/JSE All Share Index returned -3.7%. The FTSE/JSE All Bond Index delivered -1.7%, inflation-linked bonds (the Composite ILB Index) posted 1.9%, and cash as measured by the STeFI Composite Index returned 0.4%. Looking at global market returns (in US\$), the MSCI All Country World Index delivered -8.0%, the Bloomberg Global Aggregate Bond Index returned -5.5%, while the FTSE EPRA/NAREIT Global REIT Index posted -4.9%. The rand weakened 8.2% against the US dollar, 3.3% against the pound sterling and 2.7% against the euro.

Detracting the most from absolute performance for the month was the fund's exposure to SA equities (excluding property) and SA bonds (excluding inflation-linked bonds).

Glossarv

Glossal y	
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.
Information ratio	Measures the Fund's active return (Fund return in excess of the benchmark) divided by the amount of risk that the manager takes relative to the benchmark. The higher the information ratio, the higher the active return of the Fund, given the amount of risk taken and the more consistent the manager. This is calculated over a 3-year period.
Intended maximum limits	This indicates the Fund's intended maximum exposure to an asset class. These limits may be reviewed subject to the Fund's Supplemental Deed and/or Regulation 28 for those Funds managed in accordance with Regulation 28 of the Pension Funds Act.
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.
Regulation 28	The South African retirement fund industry is governed by the Pension Funds Act, No 24 of 1956. Regulation 28 of the Pension Funds Act prescribes the maximum limits in asset classes that an approved retirement fund may invest in.
Sharpe ratio	The Sharpe ratio is used to measure how well the return of an asset compensates the investor for the risk taken. The higher the Sharpe ratio the better the Fund's historical risk-adjusted performance has been. This is calculated by taking the difference between the Fund's annualised return and the risk-free (cash) rate, divided by the standard deviation of the Fund's returns. This is calculated over a 3-year period.
Sortino ratio	This is calculated by taking the difference between the Fund's annualised return and the risk-free (cash) rate, divided by the downside deviation of the Fund's returns i.e. the "bad" volatility. A high Sortino ratio indicates a low risk of large losses occurring in the Fund. This is calculated over a 3-year 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.
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 TC) 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.

⁵ 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).

F Class: for Discretionary Fund Managers.



Contact us

info@mandg.co.za



0860 105 775

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Application forms

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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 fees, which is included in the overall costs of the fund. A unit trust summary with all fees and maximum initial and ongoing adviser fees, which is included in the overall costs of the fund. As a result, the fund may hace material risks. The volatility of the hund 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. Purchase and repurchase as to the capital investment to the fund under

M&G Balanced Fund Sources: M&G and Morningstar