

# PRUDENTIAL GLOBAL EQUITY FEEDER FUND

## 31 JANUARY 2021

### FACT SHEET/MINIMUM DISCLOSURE DOCUMENT

### GLOBAL EQUITY

#### SINCE INCEPTION CUMULATIVE PERFORMANCE, DISTRIBUTIONS REINVESTED (A CLASS)



ANNUALISED PERFORMANCE	A CLASS	BENCHMARK	B CLASS
1 year	19.9%	17.8%	20.3%
3 years	14.1%	16.8%	n/a
5 years	11.1%	12.2%	n/a
7 years	12.2%	14.1%	n/a
10 years	14.8%	17.3%	n/a
Since inception	7.9%	9.3%	15.8%

\* Inception date B Class: 2 July 2018

RETURNS SINCE INCEPTION**	A CLASS	DATE
Highest annualised return	53.5%	31 Dec 2013
Lowest annualised return	-42.5%	31 Mar 2003

\*\* 12-month rolling performance figure

RISK MEASURES	A CLASS	BENCHMARK
Monthly volatility (annualised)	17.1%	16.4%
Maximum drawdown over any period	-46.9%	-49.6%
% of positive rolling 12 months	76.2%	79.5%
Information ratio	-0.4	n/a
Sortino ratio	0.9	1.2
Sharpe ratio	0.5	0.6

#### TOP HOLDINGS OF THE UNDERLYING FUND\*

1. Vanguard FTSE All World ETF	15.4%
2. SPDR Dow Jones Global Real Estate ETF	2.3%
3. Chinese Renminbi Cash	1.8%
4. Apple Inc	1.6%
5. Microsoft Corp	1.5%
6. Horizon Therapeutics Plc	1.5%
7. Amazon Inc	1.5%
8. United Microelectronics Corp	1.4%
9. MIPS AB	1.2%
10. Jiangsu Hengli Hydraulic Co Ltd	1.2%

\*As at 31 December 2020 (updated quarterly)

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

INITIAL FEES (excl. VAT)	A CLASS	B CLASS
Prudential	0.00%	0.00%
Financial adviser (if applicable)	3.00% (max)	0.00%

ANNUAL MANAGEMENT FEES (excl. VAT)	A CLASS	B CLASS
Prudential**	0.50%	0.20%
Financial adviser service fee*** (if applicable)	0.00%	0.00%

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

\*\*\* Included in Prudential's annual management fee above (A Class Financial Adviser Fees: Initial and Ongoing Adviser Fees are negotiated between the Investor and Financial Adviser. Should you agree to an ongoing Adviser Fee, this will be paid via the regular repurchase of units)

EXPENSES (incl. VAT)	A CLASS	B CLASS
Total Expense Ratio (TER)	1.46%	1.11%
Transaction Costs (TC)	0.16%	0.16%
Total Investment Charges (TIC)	1.62%	1.27%

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).



#### FUND OBJECTIVE:

The Fund's objective is to provide investors with capital growth over the long-term by investing in a diversified portfolio of global equity securities.

#### INVESTOR PROFILE:

Investors seeking long-term capital growth from a diversified portfolio of global equity securities. The recommended investment horizon is 7 years or longer. Although the Fund's investment universe is global, units are priced in rands. Investors can therefore invest without having to personally expatriate rands.

#### 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 Prudential Global Equity Fund, a US dollar denominated fund domiciled in Ireland. Through this underlying fund, the Fund has exposure to a diversified portfolio that may include common stocks and shares, depository receipts, real estate investment trusts, 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:

Marc Beckenstrater and Gautam Samarth

#### ASISA CATEGORY:

Global - Equity - General

#### BENCHMARK:

MSCI All Country World Index (Net)

#### INCEPTION DATE:

18 February 2000

#### FUND SIZE:

R402 873 354

INCOME DISTRIBUTIONS	TOTAL DISTRIBUTIONS	12-MONTH YIELD
(A Class) 31 December 2020	0.00 cpu	0.00%
(A Class) 30 June 2020	0.00 cpu	0.00%
(B Class) 31 December 2020	0.00 cpu	0.00%
(B Class) 30 June 2020	0.00 cpu	0.00%

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)

**FUND COMMENTARY**

In January, risks to the global economy subsided somewhat following an upward revision of global growth projections and the prospect of significant stimulus in the US. The International Monetary Fund (IMF) and World Bank increased their growth projections for the global economy to 5.5% and 4.0% in 2021, and 4.2% and 3.8% in 2022, respectively. However, concerns over the availability and rollout of Covid-19 vaccines weighed on investor sentiment, particularly in developed markets, with the US and EU significantly behind their vaccination targets. In the US, the Federal Reserve (the Fed) left the target range for its federal funds rate unchanged at its January meeting, and maintained its QE programme at \$80bn in Treasuries and \$40bn in Mortgage-Backed Securities. Meanwhile, President Biden unveiled his proposed \$1.9trn stimulus plan to help boost the economy. In the UK, concerns over the negative impact of a third national lockdown outweighed the prospect of a massive fiscal stimulus plan in the US. Travel stocks were among the worst performers after the UK imposed stricter border controls to curb the spread of the virus. Meanwhile in the EU, member countries continued to battle with record infections, extended nation-wide lockdowns, and delays with vaccine rollouts.

Looking at global equity market returns (all in US\$), emerging markets outperformed developed markets, with the MSCI Emerging Markets Index delivering 3.1% and the MSCI World Index returning -1.0%. Among developed markets, the S&P 500 returned -1.0%, the Dow Jones Industrial Average delivered -2.0%, and the technology-heavy Nasdaq posted 0.3% (in US\$). The UK's FTSE 100 returned -0.3%, and Japan's Nikkei 225 delivered -0.6% (in US\$). The rand weakened 2.6% against US dollar, 3.1% against the pound sterling and 1.7% versus the euro.

With the underlying fund adopting a more statistical approach to generating returns, it is the fund manager's opinion that assessing performance based on fund level hit rates (percent of days the portfolio outperformed the index) is a better way of gauging success of the underlying model. In that respect, the fund outperformed on 16 of 21 trading days, delivering a hit rate of 76% for the month.

Rand weakness against the US dollar boosted performance in January. The portfolio is also subject to deliberate style biases that can influence performance over time. At the style level, the fund's exposure to momentum, smaller size, and cheaper valuation all contributed to returns.

**GLOSSARY**

<b>12-month yield</b>	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.
<b>Annualised performance</b>	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.
<b>Cumulative performance graph</b>	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.
<b>Income distribution</b>	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.
<b>Information ratio</b>	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.
<b>Maximum drawdown</b>	The largest drop in the Fund's cumulative total return from peak to trough over any period.
<b>Monthly volatility (annualised)</b>	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).
<b>Percentage of positive rolling 12 months</b>	The percentage of months, since inception, that the Fund has shown a positive return over a rolling 12-month period.
<b>Sharpe ratio</b>	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.
<b>Sortino ratio</b>	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.
<b>Total Expense Ratio (TER)</b>	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.
<b>Unit class</b>	Prudential'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.

**HOW TO INVEST**

0860 105 775

prudential.co.za

query@myprudential.co.za

Application forms

Invest now

Application forms and all required documentation must be faxed to +27 11 263 6143 or e-mailed to instructionsa@myprudential.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 Prudential 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 Collective Investment Schemes (CIS) summary with all fees and maximum initial and ongoing adviser fees is available on our website. One can also obtain additional information on Prudential products on the Prudential 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 to 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 Prudential 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.