

# PRUDENTIAL GLOBAL EQUITY FEEDER FUND

## 31 OCTOBER 2018

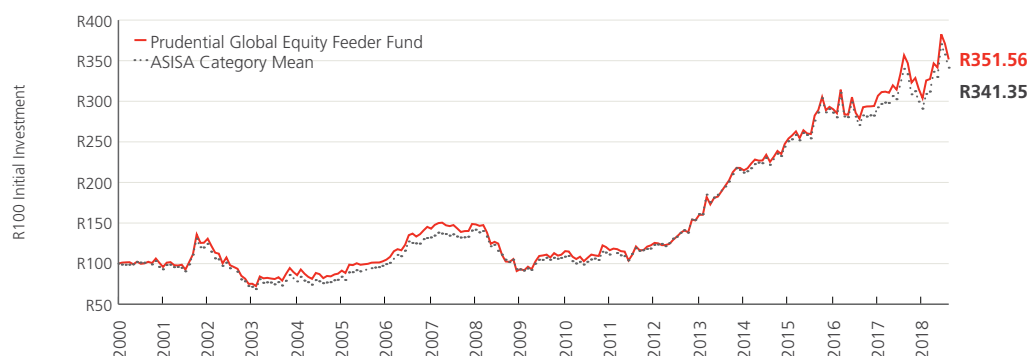


**PRUDENTIAL**  
INVESTMENT MANAGERS

### FACT SHEET/MINIMUM DISCLOSURE DOCUMENT

### GLOBAL EQUITY

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



ANNUALISED PERFORMANCE	A CLASS	BENCHMARK
1 year	-1.4%	3.9%
3 years	7.6%	10.2%
5 years	12.4%	14.8%
7 years	16.4%	19.1%
10 years	12.2%	14.4%
Since inception	7.0%	8.5%

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

ASSET ALLOCATION	
Foreign Equity	99.1%
SA Cash	0.9%

RISK MEASURES	A CLASS	BENCHMARK
Monthly volatility (annualised)	17.3%	16.5%
Maximum drawdown over any period	-46.9%	-49.6%
% of positive rolling 12 months	74.5%	76.9%
Information ratio	-0.7	n/a
Sortino ratio	0.0	0.3
Sharpe ratio	0.0	0.2

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

1. M&G North American Value Fund	11.2%
2. M&G Global Emerging Markets Fund	9.5%
3. iShares Core S&P 500 ETF	9.3%
4. M&G European Strategic Value Fund	8.6%
5. M&G Japan Fund	7.9%

\*As at 30 September 2018 (updated quarterly)

INVESTMENT OPTIONS	A CLASS	B CLASS
Minimum lump sum investment	R2 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%

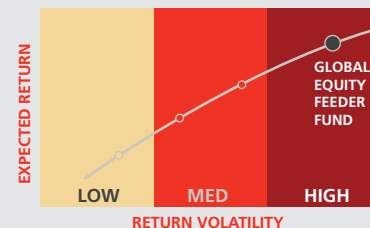
ANNUAL MANAGEMENT FEES (excl. VAT)	A CLASS	B CLASS
Prudential**	0.50%	0.20%
Financial adviser service fee*** (if applicable)	0.00%	0.00%

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

\*\*\* Included in Prudential's annual management fee above

EXPENSES (incl. VAT)	A CLASS	B CLASS
Total Expense Ratio (TER)	1.65%	1.14%
Transaction Costs (TC)	0.03%	0.03%
Total Investment Charges (TIC)	1.68%	1.17%

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 Craig Simpson

#### ASISA CATEGORY:

Global - Equity - General

#### BENCHMARK:

MSCI All Country World Index (Net)

#### INCEPTION DATE:

18 February 2000

#### FUND SIZE:

R298 079 888



INCOME DISTRIBUTIONS	TOTAL DISTRIBUTIONS	12-MONTH YIELD
(A Class) 30 June 2018	0.00 cpu	0.00%
(A Class) 31 December 2017	0.00 cpu	0.00%
(B Class) 30 June 2018	n/a	n/a
(B Class) 31 December 2017	n/a	n/a

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 spite of strong economic data coming out of the US, equity markets sold off sharply during October over concerns of a widespread slowdown in global growth. The prospect of rising interest rates in the US and mounting trade-war tensions between the US, China and Europe weighed on investor sentiment. Emerging markets came under pressure from a stronger US dollar and rising yields in the US, which are making developing countries with high dollar-denominated debts less attractive. The current risk-off environment saw most emerging equity markets end the month in negative territory. In the US, the stock market ended October deeply in the red over concerns of a slowdown in global growth, declining corporate profits and rising interest rates. Corporate profit forecasts came under pressure, even though actual corporate earnings reports were broadly positive, as worries that increased tariffs (due to the US-China trade war) would push up manufacturing costs weighed on the market. Investor sentiment was further dampened by fears that the Fed may continue increasing interest rates to 'restrictive' levels (higher than those previously expected) to keep inflation in check. European stocks closed the month in negative territory as nerves around Brexit negotiations continued to weigh on investor sentiment.

Looking at global equity market returns (all in US\$), the MSCI World Index (for developed markets) delivered -7.3% and the MSCI Emerging Markets Index returned -8.7%. The S&P 500 produced -6.8%, the Dow Jones Industrial 30 returned -5.0%, while the technology-heavy Nasdaq 100 posted -8.6%. In Europe, the Dow Jones EuroStoxx 50 delivered -8.2%, the UK's FTSE 100 returned -7.0% and Japan's Nikkei 225 delivered -8.7%. The rand depreciated 4.7% against the US dollar, 2.0% against the euro and 2.5% against the pound sterling.

Rand depreciation relative to the US dollar bolstered fund performance for the month. In US dollar terms, the fund delivered a negative return for the month as risk assets came under heavy selling pressure over concerns of a slowdown in global growth and rising inflation. Notable detractors from performance came from holdings in South Korean, US and European equities. Japanese and emerging market equities also dragged on monthly performance.

### 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 over a rolling three years (where applicable) and annualised to the most recently 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>Transaction Costs (TC)</b>	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.
<b>Total Investment Charges (IC)</b>	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 & IC) should not be deducted from the fund returns.
<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 and certain legal entities. 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 **instructions@myprudential.co.za**.

### DISCLAIMER

**Prudential Portfolio Managers Unit Trusts Ltd** (Registration number: 1999/0524/06) is an approved CISC management company (#29). Assets are managed by Prudential Investment Managers (South Africa) (Pty) Ltd, which is an approved discretionary Financial Services Provider (#45199). The Trustee's/Custodian details are: Standard Bank of South Africa limited – Trustees Services & Investor Services. 20th Floor, Main Tower, Standard Bank Centre, Heerengracht, Cape Town.

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 Fund is a fund of funds which may only invest in other unit trusts (sub-funds) and assets in liquid form. Sub-funds may levy their own charges that could result in a higher fee structure for these funds. 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.