

M&G Episode Income Fund

Sterling Class I – Accumulation shares

Monthly Fund Review as at 31 March 2025

For investment professionals only

Highlights

- The major feature in global stockmarkets in March was the decline in US shares, led by technology companies. In bond markets, German borrowing costs soared as the government loosened its debt rules.
- The fund's performance was driven by losses on equity and fixed income holdings. Within equities, the bulk of the fund's losses came from holdings of US equities, with smaller losses coming from European positions. In fixed income, holdings of long-dated US Treasuries and UK gilts lost value as yields rose. Holdings of supranational bonds denominated in Turkish lira (TRL), where we have a target weight of 5%, also cost some performance. Aggregate cash and currency exposure also hurt returns.
- In the first half of the month we reduced our target weight to equities by 5%, by trimming positions across regions to maintain the fund's overweight in Europe versus the US. Later in the month, we hedged half our TRL currency exposure, reducing the target weight from 5% to 2.5%.

The main risks associated with this fund

The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

Investments in bonds are affected by interest rates, inflation and credit ratings. It is possible that bond issuers will not pay interest or return the capital. All of these events can reduce the value of bonds held by the fund.

The fund is exposed to different currencies. Derivatives are used to minimise, but may not always eliminate, the impact of movements in currency exchange rates.

Investing in emerging markets involves a greater risk of loss as there may be difficulties in buying, selling, safekeeping or valuing investments in such countries.

The fund may use derivatives to profit from an expected rise or fall in the value of an asset. Should the asset's value vary in an unexpected way, the fund may lose as much as or more than the amount invested.

Further risk factors that apply to the fund can be found in the fund's Prospectus.

Single year performance (5 years)

	2024	2023	2022	2021	2020
Sterling I Accumulation	3.4%	8.8%	-11.0%	10.3%	-1.4%
Sector	6.2%	6.9%	-9.6%	6.3%	3.5%

Performance over 5 years



Fund performance

	1 month	3 months	YTD	1 year	3 years p.a.	5 years p.a.
Sterling I Accumulation	-2.6%	0.6%	0.6%	2.5%	0.7%	5.4%
Sector	-1.9%	0.2%	0.2%	3.8%	2.1%	5.4%

Past performance is not a guide to future performance.

Performance comparison: The Fund is actively managed and it has no benchmark. Investors can assess the performance of the Fund by its objective to provide a growing level of income and capital growth of 2 to 4% per annum, both measured over any three-year period. The Fund's annual report for each financial year will include details of the Fund's performance in relation to its objective.

Source: Morningstar, Inc and M&G, as at 31 March 2025. Returns are calculated on a price to price basis with income reinvested.

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Key information

Fund manager(s)	Steven Andrew, Stefano Amato
Fund manager tenure from	11 November 2010
Deputy fund manager(s)	Maria Municchi
ISIN	GB00B4QHRP64
Launch date of fund	11 November 2010
Launch of share class	03 August 2012
Fund size (millions)	£ 289.96
Benchmark(s)	None
Benchmark type	N/A
Sector	IA Mixed Investment 20-60% Shares sector
Number of holdings	312
Historic yield	3.27%
Average credit rating ¹	A+
Modified duration (years)	5.00
Yield to maturity	5.26%
Yield to worst	5.24%
Spread duration (years)	0.1
Payment dates	Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec
Ex-dividend date	Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec

¹See important information section for explanation of average credit rating methodology.

The yield-to-maturity (YTM) figure shown here is calculated on a monthly basis. It shows the weighted average long term total yield of all the instruments held by the fund, assuming that all coupon payments are made - and reinvested at the same rate as the bond's current yield - and all principal payments are made. The figure is expressed as an annual rate.

The yield-to-worst (YTW) figure shown here is calculated on a monthly basis. This is a measure of the lowest potential weighted average yield of the instruments held in the fund. This metric can be used to evaluate the worst-case scenario for yield at the earliest allowable retirement date of the bonds held. This figure will be less than the YTM given the shortened investment horizon. The figure is expressed as an annual rate.

Charges

Maximum entry charge	0.00%
Ongoing charge	0.65%

Things you should know

The fund allows for the extensive use of derivatives.

Fund ratings as at 31 March 2025

Defaqto Risk Rating



Dynamic Planner Rating
Financial Express Crown Rating

5 - Low Medium Risk



Fund Calibre Rating
Square Mile Rating
The Adviser Centre Rating

Yes

A

Recommended

Source of Morningstar Medalist Rating: Morningstar
Source: Defaqto
Source: Distribution Technology
Source: Financial Express
Source: FundCalibre
Source: Square Mile
Source: Embark Investments Limited

Ratings should not be taken as a recommendation.

Largest exposures (excl. cash, %)

	Fund
US Equity	30.8
US Government 30Y	12.7
Supranational Fixed	5.8
UK Government 30Y	3.8
Japan Equity	3.2
US Fixed	2.8
XTRACKERS MSCI WORLD EX USA UCITS	2.7
Brazil Government 2Y	2.2
UK Equity	1.9
E-MINI CONSUMER STAPLES JUN 25 EQUITY INDEX FUTURE	-4.3

Currency breakdown (%)

	Fund
British pound	73.8
US dollar	17.3
Turkish lira	2.1
Colombian peso	1.6
South African rand	1.5
Indian rupee	1.3
Brazilian real	1.3
Indonesian rupiah	1.2
Chilean peso	1.1
Other	-1.2

Portfolio construction (%)

	Net allocation range	Neutrality
Equity	20-50	30.0
Fixed income	40-80	60.0
Other	0-20	10.0
Currency	Min 70% sterling or sterling hedged	

Asset breakdown (%)

	Fund
Equity	44.8
UK	1.7
Europe	10.3
North America	24.6
Japan	3.2
Asia Pacific ex Japan	2.8
Other Developed Markets	0.0
Emerging markets	2.1
Equity options (nominal)	0.0
Government bonds	27.3
UK	3.8
Europe	0.0
North America	12.7
Japan	0.0
Asia Pacific ex Japan	0.0
Other Developed Markets	0.0
Emerging markets	10.8
Corporate bonds	10.4
Investment grade bonds	9.0
High yield bonds	1.4
Convertible bonds	0.0
Bond options (nominal)	0.0
Infrastructure	0.2
Property	0.0
Other	0.0
Cash	17.3

Credit rating breakdown (%)

	Net exposure
AAA	5.8
AA	16.5
A	2.4
BBB	8.0
BB	4.2
B	0.9
CCC	0.0
CC	0.0
C	0.0
D	0.0
No rating	0.0

A mid-average credit rating for each security, where available from S&P, Fitch, Moody's, is calculated. Where a security has not been rated by S&P, Fitch or Moody's, we may use M&G's internal credit rating. Ratings should not be taken as a recommendation.

Fund codes and charges

Share class	ISIN	Bloomberg	Currency	Share class launch date	Ongoing charge	Historic yield	Minimum initial investment	Minimum top up investment
Sterling A Acc	GB00B48VC629	MGIMAAA LN	GBP	11/11/2010	1.05%	2.96%	£500	£100
Sterling A Inc	GB00B4054K09	MGIMAAI LN	GBP	11/11/2010	1.05%	4.12%	£500	£100
Sterling I Acc	GB00B4QHRP64	MGIMAIA LN	GBP	03/08/2012	0.65%	3.27%	£500,000	£10,000
Sterling I Inc	GB00B7FSJ224	MGIMAIL LN	GBP	03/08/2012	0.65%	4.03%	£500,000	£10,000
Sterling R Acc	GB00B7P09066	MGIMARA LN	GBP	03/08/2012	0.90%	3.08%	£500	£100
Sterling R Inc	GB00B7JL3W55	MGIMARI LN	GBP	03/08/2012	0.90%	4.09%	£500	£100

Any ongoing charge figure with * indicates an estimate. The ongoing charge figure may vary from year to year and excludes portfolio transaction costs. The charges are mostly, if not exclusively, the Annual Charge which may be discounted depending on the size of the fund. For further details, please see the fund's Key Investor Information Document (KIID). The fund's annual report for each financial year will include details on the exact charges made. Please go to www.mandg.co.uk/literature to view the Costs and charges illustration which contains information on the costs and charges applicable to your chosen fund and share class.

Please note that not all of the share classes listed above might be available in your country. Please see the Important Information for Investors document and the relevant fund's Prospectus for more information on the risks associated with this fund and which share classes are available for which product and which investor type.

Important information

¹The fund's average credit rating uses a mid-average rating (S&P, Fitch, Moody's or M&G's internal rating if no rating is available from these ratings agencies) of securities held by the fund. It excludes some derivatives that are used for efficient portfolio management only. Ratings should not be taken as a recommendation.

The M&G Episode Income Fund is a sub-fund of M&G Investment Funds (11).

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The value of investments will fluctuate, which will cause fund prices to fall as well as rise and investors may not get back the original amount invested.

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