

M&G Global Floating Rate High Yield Fund

Sterling Class I-H – Accumulation shares



Monthly Fund Review as at 31 March 2025

For investment professionals only

Highlights

- Credit spreads widened in March on increased risk aversion, with investors worried about the US administration's import tariffs. HY floating rate notes (HY FRNs) outperformed the wider HY asset class, acting as a cushion against capital loss. Our off-benchmark position in the US credit default swap (CDS) index, which we hold for liquidity and diversification purposes, dragged on relative performance.
- The primary markets were quiet. We participated in two deals: digital advertising business Verve Group refinanced with an unsecured FRN, and European car parks operator Grupo Empark refinanced with a senior secured new bond. We also participated in a new US dollar bond from consumer health firm Opella.
- In the secondary market, we managed flows by topping up our existing FRN positions and continued to increase exposure to US senior secured fixed rate debt (hedging duration). The fund remains defensively positioned through a strategic underweight to distressed issuers and sectors, and through higher liquidity vs the index via cash and CDS indices.

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.

High yield bonds usually carry greater risk that the bond issuers may not be able to pay interest or return the capital.

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 will incur a loss. The fund's use of derivatives may be extensive and exceed the value of its assets (leverage). This has the effect of magnifying the size of losses and gains, resulting in greater fluctuations in the value of the fund.

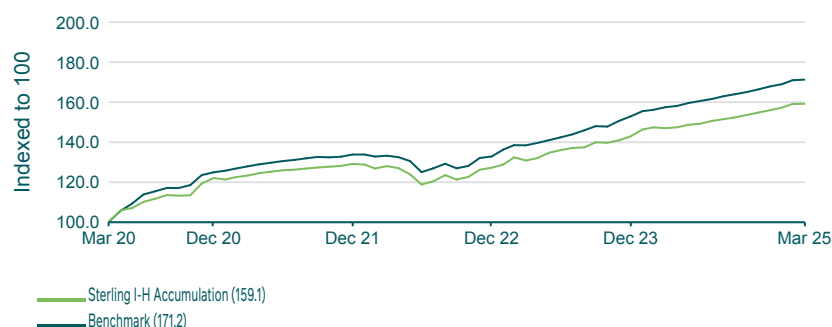
The hedging process seeks to minimise, but cannot eliminate, the effect of movements in exchange rates on the performance of the hedged share class. Hedging also limits the ability to gain from favourable movements in exchange rates.

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-H Accumulation | 9.2% | 12.3% | -1.4% | 5.8% | 0.0% |
| ■ Benchmark | 9.8% | 15.1% | -0.8% | 7.2% | 2.1% |
| ■ Sector | 8.7% | 10.9% | -9.8% | 4.2% | 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-H Accumulation | 0.1% | 2.0% | 2.0% | 8.3% | 7.5% | 9.7% |
| ■ Benchmark | 0.1% | 2.0% | 2.0% | 8.8% | 8.8% | 11.3% |
| ■ Sector | -0.9% | 1.1% | 1.1% | 7.7% | 4.5% | 6.9% |

Past performance is not a guide to future performance.

Currency breakdown - Hedged to relevant share class currency.

Benchmark: Prior to 31 March 2016 the benchmark was the ICE BofAML Global Floating Rate High Yield (GBP Hedged) Index. Thereafter it is the ICE BofAML Global Floating Rate High Yield (3% Constrained) GBP Hedged Index.

Performance comparison: The fund is actively managed. The benchmark is a comparator against which the fund's performance can be measured. The index has been chosen as the fund's comparator benchmark as it best reflects the scope of the fund's investment policy. The comparator benchmark does not constrain the fund's portfolio construction.

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

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Key information

| | |
|------------------------------------|---|
| Fund manager(s) | James Tomlins, Lu Yu, Stefan Isaacs |
| Fund manager tenure from | 11 September 2014 |
| ISIN | GB00BMP3SC51 |
| Launch date of fund | 11 September 2014 |
| Launch of share class | 11 September 2014 |
| Fund size (millions) | £ 210.60 |
| Benchmark(s) | ICE BofA Global Floating Rate High Yield Index (3% constrained) GBP Hedged |
| Benchmark type | Target |
| Sector | IA Sterling High Yield sector |
| Number of issuers | 81 |
| Distribution yield | 6.71% |
| Underlying yield | 6.71% |
| Average credit rating ¹ | B+ |
| Modified duration (years) | 0.11 |
| VaR | 1.74% |
| Average coupon | 6.25 |
| Yield to maturity | 10.01% |
| Yield to worst | 8.75% |
| Spread duration (years) | 2.3 |
| Payment dates | Mar, Jun, Sep, Dec |
| Ex-dividend date | Feb, May, Aug, Nov |

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 | 0.63% |

Things you should know

The fund allows for the extensive use of derivatives.

Fund ratings as at 31 March 2025

| | |
|------------------------------|------------------|
| Morningstar Medalist Rating™ | Analyst-Driven % |
| Bronze | 55 |
| | Data Coverage % |
| | 100 |

Overall Morningstar rating
Financial Express Crown Rating



Rayner Spencer Mills (RSM) Rating
Square Mile Rating

Yes
A

Source of Morningstar ratings: Morningstar
Source: Financial Express
Source: RSMR Group
Source: Square Mile

Ratings should not be taken as a recommendation.

Asset breakdown (%)

| | Net |
|-------------------------------|------|
| Corporate floating rate notes | 80.4 |
| Fixed rate bonds + Swaps | 5.6 |
| Credit default swaps | 0.0 |
| Credit default indices | 11.7 |
| Other | 7.0 |
| Cash | 6.5 |

Credit rating breakdown (%)

| | Physical | Short (via CDS) | Long (via CDS) | Net |
|-----------|----------|-----------------|----------------|------|
| AAA | 0.0 | 0.0 | 0.0 | 0.0 |
| AA | 7.0 | 0.0 | 0.0 | 7.0 |
| A | 0.0 | 0.0 | 0.0 | 0.0 |
| BBB | 0.0 | 0.0 | 0.0 | 0.0 |
| BB | 10.5 | 0.0 | 0.0 | 10.5 |
| B | 73.2 | 0.0 | 11.1 | 84.3 |
| CCC | 1.4 | 0.0 | 0.0 | 1.4 |
| CC | 1.4 | 0.0 | 0.0 | 1.4 |
| C | 0.0 | 0.0 | 0.0 | 0.0 |
| D | 0.1 | 0.0 | 0.0 | 0.1 |
| No rating | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash | 6.5 | 0.0 | 0.0 | 6.5 |

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.

Country breakdown (%)

| | Physical | Short (via CDS) | Long (via CDS) | Net |
|--------------------|----------|-----------------|----------------|------|
| Italy | 33.7 | 0.0 | 0.0 | 33.7 |
| US | 13.2 | 0.0 | 0.0 | 13.2 |
| UK | 11.7 | 0.0 | 0.0 | 11.7 |
| France | 8.1 | 0.0 | 0.0 | 8.1 |
| Luxembourg | 6.3 | 0.0 | 0.0 | 6.3 |
| Germany | 5.7 | 0.0 | 0.0 | 5.7 |
| Sweden | 3.3 | 0.0 | 0.0 | 3.3 |
| Ireland | 3.0 | 0.0 | 0.0 | 3.0 |
| Other | 7.9 | 0.0 | 0.0 | 7.9 |
| High Yield indices | 0.6 | 0.0 | 11.1 | 11.7 |
| Cash | 6.5 | 0.0 | 0.0 | 6.5 |

Largest issuers (excl. government bonds and CDS indices, %)

| | Fund |
|--------------------------|------|
| Teamsystem | 3.2 |
| Cedacri | 3.0 |
| Skill Bidco APS | 2.8 |
| Cerved Group | 2.8 |
| Paganini Bidco | 2.5 |
| Kapla Holding | 2.1 |
| Sisalpay Group | 2.0 |
| Evoca | 1.9 |
| Apollo Swedish Bidco | 1.9 |
| Blackstone Group Inc/The | 1.9 |

Maturity breakdown (%)

| | Physical |
|---------------|----------|
| 0 - 1 years | 34.9 |
| 1 - 3 years | 20.9 |
| 3 - 5 years | 23.3 |
| 5 - 7 years | 12.2 |
| 7 - 10 years | 0.5 |
| 10 - 15 years | 0.0 |
| 15+ years | 1.7 |
| Cash | 6.5 |
| Other | 0.1 |

Currency breakdown (%)

| | Fund |
|---------------|------|
| US dollar | 99.2 |
| Euro | 0.8 |
| British pound | 0.0 |

Industry breakdown (%)

| | Physical | Short (via CDS) | Long (via CDS) | Net |
|--------------------------|----------|-----------------|----------------|------|
| Services | 11.7 | 0.0 | 0.0 | 11.7 |
| Capital goods | 11.3 | 0.0 | 0.0 | 11.3 |
| Retail | 11.0 | 0.0 | 0.0 | 11.0 |
| Financial services | 8.6 | 0.0 | 0.0 | 8.6 |
| Basic industry | 8.2 | 0.0 | 0.0 | 8.2 |
| Leisure | 8.0 | 0.0 | 0.0 | 8.0 |
| Sovereign | 7.0 | 0.0 | 0.0 | 7.0 |
| Technology & electronics | 7.0 | 0.0 | 0.0 | 7.0 |
| Healthcare | 4.9 | 0.0 | 0.0 | 4.9 |
| Transportation | 4.1 | 0.0 | 0.0 | 4.1 |
| Consumer goods | 3.3 | 0.0 | 0.0 | 3.3 |
| Telecommunications | 2.7 | 0.0 | 0.0 | 2.7 |
| Media | 1.8 | 0.0 | 0.0 | 1.8 |
| Energy | 1.7 | 0.0 | 0.0 | 1.7 |
| Automotive | 1.2 | 0.0 | 0.0 | 1.2 |
| Real Estate | 0.5 | 0.0 | 0.0 | 0.5 |
| Banking | 0.2 | 0.0 | 0.0 | 0.2 |
| High Yield indices | 0.6 | 0.0 | 11.1 | 11.7 |
| Cash | 6.5 | 0.0 | 0.0 | 6.5 |

Duration by currency and asset class (years)

| | Physical | Futures | Swaps | Net |
|---------------|----------|---------|-------|-----|
| Euro | 0.1 | 0.0 | 0.0 | 0.1 |
| British pound | 0.0 | 0.0 | 0.0 | 0.0 |
| US dollar | 0.1 | 0.0 | -0.1 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 0.2 | 0.0 | -0.1 | 0.1 |

Fund codes and charges

| Share class | ISIN | Bloomberg | Currency | Share class launch date | Ongoing charge | Distribution yield | Underlying yield | Minimum initial investment | Minimum top up investment |
|------------------|--------------|------------|----------|-------------------------|----------------|--------------------|------------------|----------------------------|---------------------------|
| Sterling A-H Acc | GB00BMP3S923 | MGFGAHA LN | GBP | 11/09/2014 | 1.03% | 6.31% | 6.31% | £500 | £100 |
| Sterling A-H Inc | GB00BMP3SB45 | MGFGAHI LN | GBP | 11/09/2014 | 1.03% | 7.34% | 6.31% | £500 | £100 |
| Sterling EH Acc | GB00BMTRV795 | MGFGEHA LN | GBP | 11/09/2014 | 0.43% | 6.91% | 6.91% | £5,000,000 | £5,000,000 |
| Sterling E-H Inc | GB00BQ26NS64 | MGFGEHI LN | GBP | 03/10/2014 | 0.43% | 7.34% | 6.91% | £5,000,000 | £5,000,000 |
| Sterling I-H Acc | GB00BMP3SC51 | MGFGIHA LN | GBP | 11/09/2014 | 0.63% | 6.71% | 6.71% | £500,000 | £10,000 |
| Sterling I-H Inc | GB00BMP3SD68 | MGFGIHI LN | GBP | 11/09/2014 | 0.63% | 7.34% | 6.71% | £500,000 | £10,000 |
| Sterling R-H Acc | GB00BP4VN824 | MGFGRHA LN | GBP | 11/09/2014 | 0.88% | 6.46% | 6.46% | £500 | £100 |
| Sterling R-H Inc | GB00BP4VN931 | MGFGRHI LN | GBP | 11/09/2014 | 0.88% | 7.34% | 6.46% | £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

For the avoidance of doubt, for fixed income funds, we count different entities belonging to the same company as separate issuers to arrive at the number of issuers in the fund, as shown under the key information section.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 Global Floating Rate High Yield Fund is a sub-fund of M&G Investment Funds (7).

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The Morningstar Overall Rating based on the fund's Sterling Class I-H shares. Copyright © 2025 Morningstar UK Limited. All Rights Reserved. Ratings should not be taken as recommendation.

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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