

# M&G Global High Yield Bond Fund

Sterling Class I – Accumulation shares



Monthly Fund Review as at 31 March 2025

For investment professionals only

## Highlights

- The global high yield (HY) market posted negative returns across all geographies in a volatile and 'risk-off' month as credit spreads widened. The market struggled to price the implications of US import tariffs, inflationary pressures, and potentially slower US growth. US HY spreads widened significantly on these concerns. However, in the eurozone there was some expectation for potentially better-than-anticipated growth as a result of recently announced fiscal policies. Emerging market HY, although posting negative returns, outperformed US and European HY. Our small underweight to riskier assets and our overweight to Europe were the main drivers of relative performance.
- Primary markets were busy, particularly in Europe. We participated in new issues from oil exploration and production company Chord Energy, chemicals producer Celanese and pharma company Bausch Health.
- Secondary markets were relatively quiet and we topped up pharmacy store chain Walgreens, luxury fashion retailer Saks and Norwegian Cruises as we thought they offered favourable valuations.

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

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

## Key information

<b>Fund manager(s)</b>	Stefan Isaacs, Luke Coha
<b>Fund manager tenure from</b>	30 September 2010
<b>ISIN</b>	GB00B4Z1M213
<b>Launch date of fund</b>	16 October 1998
<b>Launch of share class</b>	03 August 2012
<b>Fund size (millions)</b>	£ 1,011.86
<b>Benchmark(s)</b>	ICE BofA Global High Yield Index (GBP Hedged)
<b>Benchmark type</b>	Target
<b>Sector</b>	IA Sterling High Yield sector
<b>Number of issuers</b>	267
<b>Distribution yield</b>	5.49%
<b>Underlying yield</b>	5.49%
<b>Average credit rating<sup>1</sup></b>	BB
<b>Modified duration (years)</b>	3.30
<b>VaR</b>	1.80%
<b>Average coupon</b>	5.57
<b>Yield to maturity</b>	7.66%
<b>Yield to worst</b>	7.49%
<b>Spread duration (years)</b>	3.1
<b>Payment dates</b>	Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec
<b>Ex-dividend date</b>	Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec

<sup>1</sup>See 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

<b>Maximum entry charge</b>	0.00%
<b>Ongoing charge</b>	0.58%

## 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 %
<b>Neutral</b> <sup>TM</sup>	100
	Data Coverage %
	100

Overall Morningstar rating

Financial Express Crown Rating



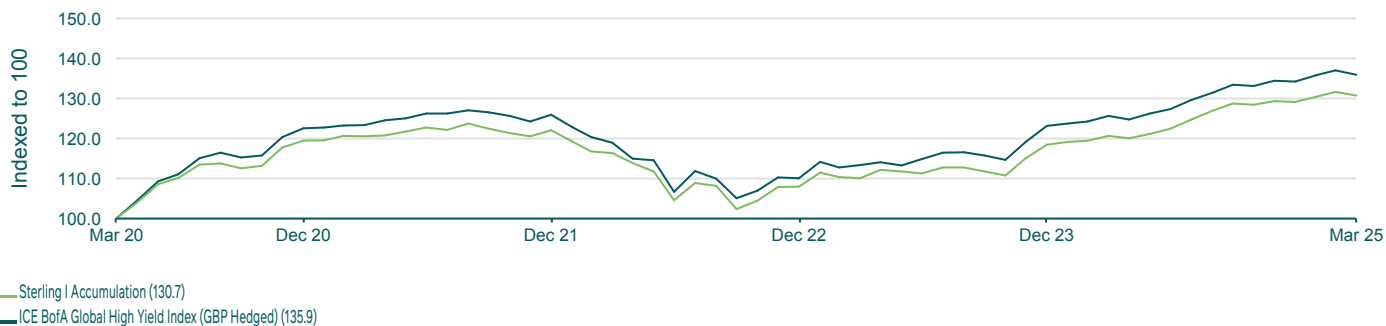
Source of Morningstar ratings: Morningstar  
Source: Financial Express

Ratings should not be taken as a recommendation.

## Single year performance (5 years)

	2024	2023	2022	2021	2020
■ Sterling I Accumulation	9.0%	9.8%	-11.6%	2.2%	2.0%
■ ICE BofA Global High Yield Index (GBP Hedged)	8.9%	11.9%	-12.6%	2.8%	5.1%
■ 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 Accumulation	-0.7%	1.2%	1.2%	8.4%	3.9%	5.5%
■ ICE BofA Global High Yield Index (GBP Hedged)	-0.8%	1.3%	1.3%	8.2%	4.6%	6.3%
■ Sector	-0.9%	1.1%	1.1%	7.7%	4.5%	6.9%

Past performance is not a guide to future performance.

The benchmark is a target which the Fund seeks to outperform. The index has been chosen as the Fund's benchmark as it best reflects the scope of the Fund's investment policy. The benchmark is used solely to measure the Fund's performance and does not constrain the Fund's portfolio construction. The Fund is actively managed. The Fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The Fund's holdings may deviate significantly from the benchmark's constituents. For each Share Class the Benchmark will be denominated or hedged into the relevant share class currency. The Benchmark for each Share Class will be shown in its respective KIID.

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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## Asset breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
<b>Government bonds</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.7</b>
<b>Investment grade corporate bonds</b>	<b>8.4</b>	<b>0.0</b>	<b>0.0</b>	<b>8.4</b>
Fixed rate	8.4	0.0	0.0	8.4
Floating rate	0.0	0.0	0.0	0.0
Index linked	0.0	0.0	0.0	0.0
Credit Default Swaps & Indices	0.0	0.0	0.0	0.0
<b>High yield corporate bonds</b>	<b>82.4</b>	<b>0.0</b>	<b>0.0</b>	<b>82.4</b>
Fixed rate	81.7	0.0	0.0	81.7
Floating rate	0.7	0.0	0.0	0.7
Index linked	0.0	0.0	0.0	0.0
Credit Default Swaps & Indices	0.0	0.0	0.0	0.0
<b>Securitised</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>
<b>Equities</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>
<b>Other</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Cash</b>	<b>8.0</b>	<b>0.0</b>	<b>0.0</b>	<b>8.0</b>

## Largest issuers (%)

	Fund
Petroleos Mexicanos	2.1
Ecopetrol	1.1
Transocean	1.0
CSC Holdings	0.9
Eurofins Scientific	0.8
CNX Resources	0.8
888 Acquisitions	0.8
AES Corporation	0.8
Darling Ingredients	0.8
Teva Pharmaceutical Finance Netherlands III	0.8

## Industry breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
Energy	13.9	0.0	0.0	13.9
Healthcare	10.6	0.0	0.0	10.6
Telecommunications	7.5	0.0	0.0	7.5
Retail	7.3	0.0	0.0	7.3
Leisure	6.9	0.0	0.0	6.9
Basic industry	6.4	0.0	0.0	6.4
Media	6.3	0.0	0.0	6.3
Services	5.0	0.0	0.0	5.0
Capital goods	4.7	0.0	0.0	4.7
Consumer goods	4.0	0.0	0.0	4.0
Automotive	3.7	0.0	0.0	3.7
Utility	3.4	0.0	0.0	3.4
Technology & electronics	3.2	0.0	0.0	3.2
Banking	2.9	0.0	0.0	2.9
Real Estate	2.2	0.0	0.0	2.2
Transportation	1.7	0.0	0.0	1.7
Financial services	1.1	0.0	0.0	1.1
Sovereign	0.7	0.0	0.0	0.7
Asset backed	0.3	0.0	0.0	0.3
Equity	0.2	0.0	0.0	0.2
Futures	0.0	0.0	0.0	0.0
Cash	8.0	0.0	0.0	8.0

## Credit rating breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
AAA	0.0	0.0	0.0	0.0
AA	0.7	0.0	0.0	0.7
A	0.0	0.0	0.0	0.0
BBB	8.4	0.0	0.0	8.4
BB	49.5	0.0	0.0	49.5
B	26.9	0.0	0.0	26.9
CCC	5.3	0.0	0.0	5.3
CC	0.3	0.0	0.0	0.3
C	0.0	0.0	0.0	0.0
D	0.1	0.0	0.0	0.1
No rating	0.8	0.0	0.0	0.8
Cash	8.0	0.0	0.0	8.0

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.

## Maturity breakdown (%)

	Physical
0 - 1 years	4.9
1 - 3 years	22.9
3 - 5 years	38.3
5 - 7 years	16.3
7 - 10 years	6.2
10 - 15 years	1.5
15+ years	1.6
Cash	8.0
Other	0.3

## Duration by currency and asset class (years)

	Physical	Futures	Swaps	Net
Euro	0.7	-0.1	0.0	0.6
British pound	0.2	-0.1	0.0	0.1
US dollar	2.2	0.4	0.0	2.7
Other	0.0	0.0	0.0	0.0
Total	3.1	0.2	0.0	3.3

## Country breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
US	50.3	0.0	0.0	50.3
UK	7.5	0.0	0.0	7.5
France	4.3	0.0	0.0	4.3
Germany	4.1	0.0	0.0	4.1
Mexico	2.5	0.0	0.0	2.5
Italy	2.2	0.0	0.0	2.2
Netherlands	2.0	0.0	0.0	2.0
Luxembourg	1.9	0.0	0.0	1.9
Other	17.2	0.0	0.0	17.2
Cash	8.0	0.0	0.0	8.0

## Currency breakdown (%)

	Fund
British pound	99.5
US dollar	0.4
Euro	0.1
South African rand	0.0

## 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 Acc	GB0031957219	MGHYCAA LN	GBP	01/10/2002	0.98%	5.09%	5.09%	£500	£100
Sterling A Inc	GB0031957102	MGHYCAI LN	GBP	01/10/2002	0.98%	6.07%	5.09%	£500	£100
Sterling I Acc	GB00B4Z1M213	MGHYCIA LN	GBP	03/08/2012	0.58%	5.49%	5.49%	£500,000	£10,000
Sterling I Inc	GB00B6ZD1B32	MGHYCII LN	GBP	03/08/2012	0.58%	6.07%	5.49%	£500,000	£10,000
Sterling R Acc	GB00B3ZG2Y18	MGHYCRA LN	GBP	03/08/2012	0.83%	5.24%	5.24%	£500	£100
Sterling R Inc	GB00B7K97Y86	MGHYCRI LN	GBP	03/08/2012	0.83%	6.07%	5.24%	£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](http://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

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Cash may be held on deposit and/or in the Northern Trust Cash Funds, a range of collective investment schemes.

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.<sup>1</sup>The 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 High Yield Bond Fund is a sub-fund of M&G Investment Funds (2).

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The Morningstar Overall Rating based on the fund's Sterling Class I 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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