

# M&G Episode Growth Fund Sterling Class I – Accumulation shares

Monthly Fund Review as at 31 May 2024

For investment professionals only

## Fund description

The fund aims to provide a higher total return (the combination of capital growth and income) net of the Ongoing Charge Figure, than the average return of the IA Mixed Investment 40-85% Shares Sector over any five-year period. The fund has a very flexible investment approach, with the freedom to invest in different types of assets. The approach combines in-depth research to determine the value of assets over the medium to long term, with analysis of investors' emotional reaction to events to identify investment opportunities. The fund gains access to assets directly and indirectly through other funds or derivatives.

## The main risks associated with this fund

For any past performance shown, please note that past performance is not a guide to future performance.

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.

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 can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.

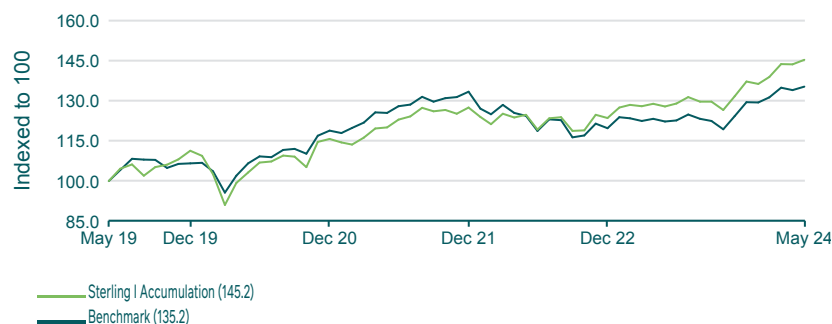
The fund may use derivatives to profit from an expected rise or fall in the value of an asset. Should the asset's value vary in an unexpected way, the fund will incur a loss. The fund's use of derivatives may be extensive and exceed the value of its assets (leverage). This has the effect of magnifying the size of losses and gains, resulting in greater fluctuations in the value of the fund.

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

## Single year performance (5 years)

	2023	2022	2021	2020	2019
■ Sterling I Accumulation	11.0%	-3.1%	10.1%	3.9%	18.6%
■ Benchmark	8.1%	-10.2%	12.2%	11.4%	15.7%
■ IA Mixed Investment 40-85% Shares sector	8.1%	-10.1%	11.1%	5.5%	15.9%

## Performance over 5 years



## Fund performance

	1 month	3 months	YTD	1 year	3 years p.a.	5 years p.a.
■ Sterling I Accumulation	1.2%	4.6%	5.9%	13.6%	6.5%	7.7%
■ Benchmark	1.0%	3.1%	4.5%	10.6%	2.5%	6.2%
■ IA Mixed Investment 40-85% Shares sector	1.0%	3.1%	4.5%	10.6%	2.5%	5.1%

Past performance is not a guide to future performance.

**Benchmark:** Benchmark prior to 10 December 2019 is a composite index comprising 2/3 MSCI ACWI Index and 1/3 Bloomberg Barclays Global Aggregate Index. From 10 December 2019 to 2 February 2021 the Bloomberg Barclays Global Aggregate Index was changed to the GBP Hedged version. Thereafter it is the IA Mixed Investment 40-85% Shares sector.

**Performance comparison:** The fund is actively managed. The benchmark is a target which the fund seeks to outperform. The composite index has been chosen as the fund's target benchmark as it best reflects the scope of the fund's investment policy. The target benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

**Source:** Morningstar, Inc and M&G, as at 31 May 2024. Returns are calculated on a price to price basis with income reinvested. Benchmark returns stated in GBP terms.

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## Key information

<b>Fund manager(s)</b>	Craig Simpson, Tony Finding
<b>Fund manager tenure from</b>	31 December 2019
<b>Deputy fund manager(s)</b>	Alex Houlding, Craig Moran
<b>ISIN</b>	GB00B5V3ZY14
<b>Launch date of fund</b>	26 February 1993
<b>Launch of share class</b>	03 August 2012
<b>Fund size (millions)</b>	£ 859.53
<b>Benchmark(s)</b>	IA Mixed Investment 40-85% Shares sector
<b>Benchmark type</b>	Target
<b>Sector</b>	IA Mixed Investment 40-85% Shares sector
<b>Number of holdings</b>	17
<b>Historic yield</b>	2.80%
<b>Modified duration (years)</b>	2.20
<b>VaR</b>	5.63%
<b>Payment dates</b>	Mar, Jun, Sep, Dec
<b>Ex-dividend dates</b>	Feb, May, Aug, Nov

## Charges

<b>Maximum entry charge</b>	0.00%
<b>Ongoing charge</b>	0.73%

## Things you should know

The fund allows for the extensive use of derivatives.

## Fund ratings as at 31 May 2024

Dynamic Planner Rating **7 - Highest Medium Risk**  
Financial Express Crown Rating

Rayner Spencer Mills (RSM) Rating **Yes**  
Source of Morningstar Medalist Rating: Morningstar  
Source: Distribution Technology  
Source: Financial Express  
Source: RSMR Group

Ratings should not be taken as a recommendation.

## Asset breakdown (%)

	Long exposure	Short exposure	Net exposure
<b>Equity</b>	<b>73.0</b>	<b>0.0</b>	<b>73.0</b>
UK	27.0	0.0	27.0
Europe	33.9	0.0	33.9
North America	0.0	0.0	0.0
Japan	4.2	0.0	4.2
Asia Pacific ex Japan	0.0	0.0	0.0
Other Developed Markets	0.0	0.0	0.0
Emerging markets	7.9	0.0	7.9
Equity options (nominal)	0.0	0.0	0.0
<b>Government bonds</b>	<b>11.5</b>	<b>0.0</b>	<b>11.5</b>
UK	0.0	0.0	0.0
Europe	0.0	0.0	0.0
North America	9.8	0.0	9.8
Japan	0.0	0.0	0.0
Asia Pacific ex Japan	0.0	0.0	0.0
Other Developed Markets	0.0	0.0	0.0
Emerging markets	1.7	0.0	1.7
<b>Corporate bonds</b>	<b>8.9</b>	<b>0.0</b>	<b>8.9</b>
Investment grade bonds	0.0	0.0	0.0
High yield bonds	8.9	0.0	8.9
<b>Convertible bonds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Bond options (nominal)	0.0	0.0	0.0
<b>Infrastructure</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Property</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Other</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Cash</b>			<b>6.7</b>

## Portfolio construction (%)

	Net allocation range	Neutrality
Equity	40-85	63.0
Fixed income	15-50	30.0
Other	0-10	8.0
Currency	Min 25% sterling or sterling hedged	

## Credit rating breakdown (%)

	Net exposure
AAA	0.0
AA	9.8
A	0.0
BBB	0.0
BB	1.7
B	0.0
CCC	0.0
CC	0.0
C	0.0
D	0.0
No rating	8.9

## Currency breakdown (%)

	Fund
British pound	75.1
US dollar	28.7
Mexican peso	2.1
Brazilian real	1.9
South African rand	1.8
Euro	1.5
Thai baht	0.0
Korean won	0.0
Singapore dollar	0.0
Other	-11.0

## Largest exposures (excl. cash, %)

	Fund
ISHARES CORE MSCI WORLD UCITS ETF	22.8
LYXOR FTSE 100 UCITS ETF - ACC	20.5
US Government 30Y	9.8
VANGUARD FTSE DVLPEURP EXUK UCITS	9.6
ISHARES CORE CORP BOND UCITS ETF	8.9
ISHARES MSCI EM ASIA UCITS ETF USD	4.8
LYXOR CORE MSCI JAPAN (DR) UCITS E	4.2
M&G ASIAN GBP A INC	3.5
HSBC MSCI CHINA UCITS ETF USD	3.0
M&G SMALLER COMPANIES GBP A INC	2.1

## 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	GB0031960585	MGMGDAA LN	GBP	01/10/2002	1.13%	2.65%	£500	£100
Sterling A Inc	GB0031960478	MGMGDAI LN	GBP	01/10/2002	1.13%	3.67%	£500	£100
Sterling I Acc	GB00B5V3ZY14	MGMNGIA LN	GBP	03/08/2012	0.73%	2.80%	£500,000	£10,000
Sterling I Inc	GB00B708D148	MGMNGII LN	GBP	03/08/2012	0.73%	3.46%	£500,000	£10,000
Sterling R Acc	GB00B7MY3T81	MGMNGRA LN	GBP	03/08/2012	0.98%	2.72%	£500	£100
Sterling R Inc	GB00B75BG534	MGMNGRI LN	GBP	03/08/2012	0.98%	3.64%	£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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The M&G Episode Growth Fund is a sub-fund of M&G Investment Funds (4).

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