

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

Monthly Fund Review as at 29 February 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	1.9%	5.5%	1.3%	8.1%	6.9%	6.3%
■ Benchmark	1.4%	5.6%	1.3%	6.3%	3.1%	6.7%
■ IA Mixed Investment 40-85% Shares sector	1.4%	5.6%	1.3%	6.3%	3.1%	5.0%

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 29 February 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

Fund manager(s)	Craig Simpson, Tony Finding
Fund manager tenure from	31 December 2019
Deputy fund manager(s)	Alex Houlding, Craig Moran
ISIN	GB00B5V3ZY14
Launch date of fund	26 February 1993
Launch of share class	03 August 2012
Fund size (millions)	£ 826.61
Benchmark(s)	IA Mixed Investment 40-85% Shares sector
Benchmark type	Target
Sector	IA Mixed Investment 40-85% Shares sector
Number of holdings	16
Historic yield	2.87%
Modified duration (years)	2.28
VaR	5.89%
Payment dates	Mar, Jun, Sep, Dec
Ex-dividend dates	Feb, May, Aug, Nov

Charges

Maximum entry charge	0.00%
Ongoing charge	0.73%

Things you should know

The fund allows for the extensive use of derivatives.

Fund ratings as at 29 February 2024

Morningstar Medalist Rating™	Analyst-Driven %
Silver	10
	Data Coverage %
	96
Overall Morningstar rating	★★★★
Dynamic Planner Rating	5 - Low Medium Risk
Financial Express Crown Rating	F
Rayner Spencer Mills (RSM) Rating	Yes
Source of Morningstar ratings: 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
Equity	77.3	0.0	77.3
UK	25.5	0.0	25.5
Europe	42.0	0.0	42.0
North America	0.0	0.0	0.0
Japan	5.0	0.0	5.0
Asia Pacific ex Japan	0.0	0.0	0.0
Other Developed Markets	0.0	0.0	0.0
Emerging markets	4.7	0.0	4.7
Equity options (nominal)	0.0	0.0	0.0
Government bonds	11.4	0.0	11.4
UK	0.0	0.0	0.0
Europe	0.0	0.0	0.0
North America	9.5	0.0	9.5
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	1.8	0.0	1.8
Corporate bonds	9.3	0.0	9.3
Investment grade bonds	0.0	0.0	0.0
High yield bonds	9.3	0.0	9.3
Convertible bonds	0.0	0.0	0.0
Bond options (nominal)	0.0	0.0	0.0
Infrastructure	0.0	0.0	0.0
Property	0.0	0.0	0.0
Other	0.0	0.0	0.0
Cash			2.1

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	9.5
A	0.0
BBB	0.0
BB	1.8
B	0.0
CCC	0.0
CC	0.0
C	0.0
D	0.0
No rating	9.3

Largest exposures (excl. cash, %)

	Fund
ISHARES CORE MSCI WORLD UCITS ETF	24.8
LYXOR FTSE 100 UCITS ETF - ACC	19.3
VANGUARD FTSE DVL P EURP EXUK UCITS	10.1
US Government 30Y	9.5
ISHARES CORE CORP BOND UCITS ETF	9.3
HSBC MSCI CHINA UCITS ETF USD	5.1
LYXOR CORE MSCI JAPAN (DR) UCITS E	5.0
ISHARES MSCI EM ASIA UCITS ETF USD	4.7
M&G ASIAN GBP A INC	3.3
AMUNDI EURO STOXX - UCITS ETF DR	2.1

Currency breakdown (%)

	Fund
British pound	66.3
US dollar	37.7
Euro	3.3
Mexican peso	2.2
Brazilian real	2.1
Hungarian forint	2.0
South African rand	1.9
Thai baht	0.0
Korean won	0.0
Other	-15.5

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%	2.68%	£500	£100
Sterling A Inc	GB0031960478	MGMGDAI LN	GBP	01/10/2002	1.13%	3.72%	£500	£100
Sterling I Acc	GB00B5V3ZY14	MGMNGIA LN	GBP	03/08/2012	0.73%	2.87%	£500,000	£10,000
Sterling I Inc	GB00B708D148	MGMNGII LN	GBP	03/08/2012	0.73%	3.55%	£500,000	£10,000
Sterling R Acc	GB00B7MY3T81	MGMNGRA LN	GBP	03/08/2012	0.98%	2.78%	£500	£100
Sterling R Inc	GB00B75BG534	MGMNGRI LN	GBP	03/08/2012	0.98%	3.71%	£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.

Approach to responsible investment

	Yes	No	N/A
ESG integration	✓		
Additional ESG specifications		✓	
Exclusions	✓		
Cluster munitions & anti personnel landmines	✓		
Other exclusions or restrictions		✓	
Voting	✓		
Engagement	✓		

Please see glossary for further explanation of these terms.

ESG Standard Glossary

Additional ESG specifications: In the context of M&G, these are funds managed with an explicit ESG objective, outcome or in accordance with specific ESG criteria, and will have a number of minimum exclusions in place.

Engagement: Interaction with company management on various financial and non-financial, including ESG, issues. Engagement allows investors to better understand how a company is undertaking its operations and how it is interacting with its stakeholders, as well as advising on and influencing company behaviour and disclosures where appropriate.

ESG integration: Describes the explicit and systematic inclusion of Environmental, Social and Governance factors in investment analysis and investment decisions. It underpins a responsible investment approach, and allows investors to better manage risk and generate sustainable, long-term returns.

Exclusions: The exclusion or restriction of investments based on the sector in which they operate, the products or services they provide or for other specific criteria, i.e. they are deemed to be in breach of the United Nations Global Compact principles on human rights, labour the environment and anti-corruption.

Voting: As the partial owners of a company, shareholders have the right to vote on resolutions put forward at a company's annual general meeting. These resolutions include the re-election of directors, executive remuneration and business strategy, among others, and may include resolutions put forward by shareholders.

Important information

With effect from November 2023, we are reporting using our internal accounting book of record (ABOR) moving away from the investment book of record (IBOR) used for reporting up to October 2023.

The M&G Episode Growth Fund is a sub-fund of M&G Investment Funds (4).

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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. **For financial advisers only. Not for onward distribution. No other persons should rely on any information contained within.**

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