

## FUND PROFILE

For investment professionals only

# M&G Dynamic Allocation Fund

A flexible multi-asset fund designed to perform over the long term



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Co-Fund Manager



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Co-Fund Manager

“A genuinely unconstrained multi-asset portfolio is the most efficient way to generate consistent investment returns across the market cycle.”

## Fund facts

as at 31.10.17

**Launch date:**

3 December 2009

**Fund size:**

€6.356,6 m

**Comparative sector:**

Morningstar EUR Flexible Allocation - Global sector

**Euro A share class**

**ISIN (Acc):**

GB00B56H1S45

**ISIN (Inc):**

GB00B96BHM03

**Initial charge:** Max. 4,00%

**AMC:** 1,75%

**Ongoing charge\*:** 1,93%

**Minimum investment:**

€1.000

**Minimum top-up investment:** €75

\*The ongoing charge is based on expenses for the year ending 31.03.17.

Source of fund facts: M&G Statistics as at 31.10.17.

## Fund philosophy

- The M&G Dynamic Allocation Fund invests globally in a range of assets such as equity, fixed income and currencies.
- Asset allocation is the main driver of returns over time and the fund allows the managers significant flexibility to move capital between asset classes.
- The fund managers assess the macroeconomic environment and look for instances where investor behaviour has moved assets classes away from their long-term valuation levels.

Changes in currency exchange rates will affect the value of your investment.

## Asset allocation

Asset class	Net allocation ranges
Equity	20 – 60 %
Fixed income <sup>1</sup>	0 – 80 %
Other <sup>2</sup>	0 – 20 %

Please note that the allocation ranges are internal guidelines only and are subject to change.

<sup>1</sup>Excludes cash and cash equivalents.

<sup>2</sup>Other: mainly comprises real estate-related securities and convertibles.

## Reasons to invest

- The fund has the potential to deliver positive total returns of between 5% and 10% per annum with volatility between 5% and 12% per annum over any three- to five-year period<sup>†</sup>. However, this is an estimate and there is no guarantee that the fund will achieve a positive return over this or any other period, and investors may not recoup the original amount they invested.
- A diversified and global fund that can invest across asset classes, and use derivatives, to deliver its returns.
- Uses an innovative approach that employs elements of behavioural finance. This approach has been developed and operated by the M&G Multi Asset team for more than 15 years.

<sup>†</sup>The potential return is quoted net of charges on a total return basis (combination of income and capital growth) and calculated over a three-to five-year period. The potential volatility figures are calculated on a monthly basis over the medium term. These figures are not guaranteed and may be revised in the future.

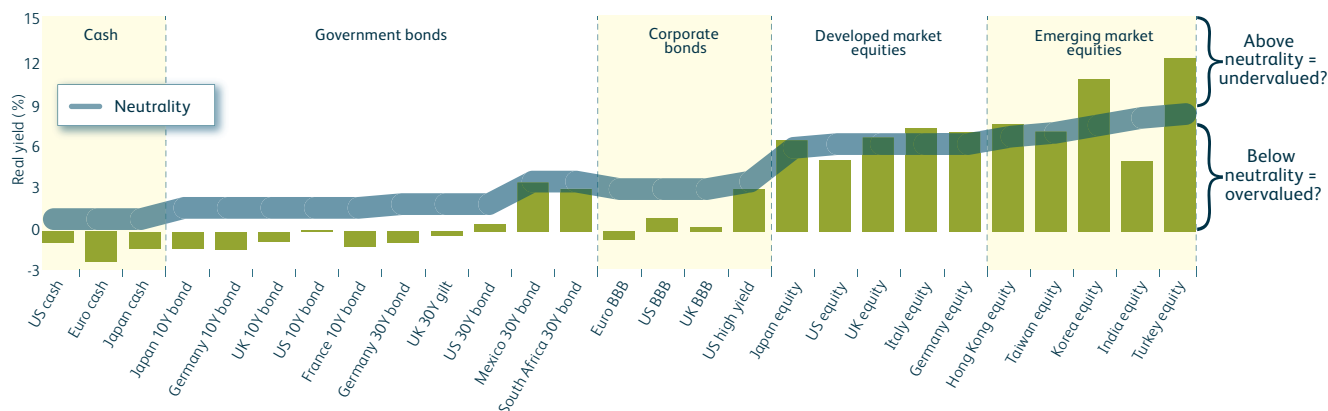
Past performance is not a guide to future performance.

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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## Valuation framework: Sample of assets, showing real yield against neutrality



Source: M&G 2017, for illustrative purposes only. The green columns show the expected return or real yield from each type of asset. The grey neutrality band is the level where the fund managers perceive the real yield to be a 'fair' reflection of the assets' underlying value. Please note that this chart represents just the starting point for the team's investment process and that behavioural finance insights are crucial to its interpretation. M&G does not have house views.

The fund allows for the extensive use of derivatives.

### Contact



[www.mandg.com](http://www.mandg.com)



[www.allocationblog.com](http://www.allocationblog.com)



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