

M&G Global Floating Rate High Yield Fund

A high yield fund for a rising rate environment



James Tomlins
Fund Manager

“With the prospect of further increases in global interest rates over the coming years, we believe high yield FRNs offer an appealing combination of features, providing a steady income stream along with the potential to benefit from any future rate rises.”

Key fund facts

As at 31.10.17

Launch date:
11 September 2014

Fund size:
€4,452,9 m

Comparative sector:
Morningstar Global High Yield Bond - EUR Hedged sector

Euro A-H share class

ISIN (Acc): GB00BMP3SF82

ISIN (Inc): GB00BMP3SG99

Initial charge: Max. 4,00%

AMC: 1,25%

Ongoing charge*: 1,43%

Minimum investment:
€1.000

Minimum top-up investment: €75

*The ongoing charge is based on expenses for the year ending 31.07.17.

M&G Statistics as at 31.10.17.

Fund philosophy

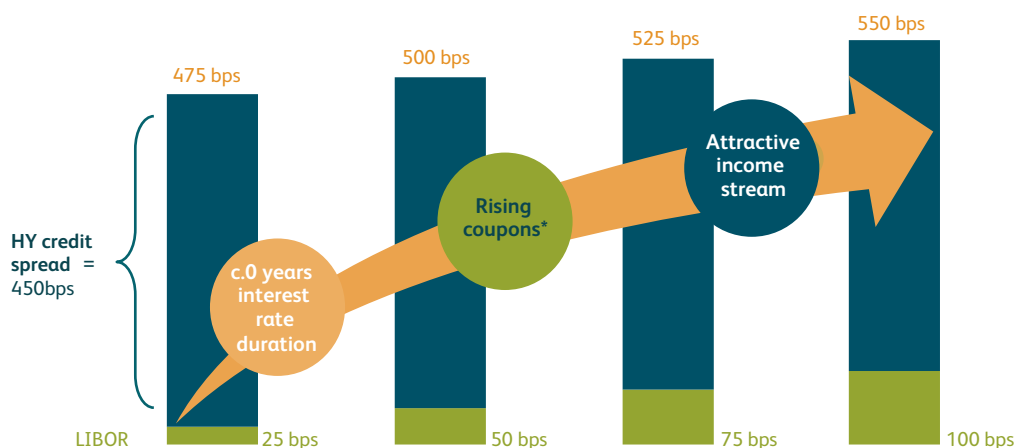
- The M&G Global Floating Rate High Yield Fund provides access to a globally diversified portfolio of high yield floating rate notes (FRNs).
- Unlike conventional bonds – which typically suffer in a rising rate environment – FRNs pay a coupon which is automatically adjusted in line with interest rates, providing not only protection, but a way of benefiting from any future increase in interest rates.
- In the current low-yield environment, we believe high yield FRNs offer an attractive level of income which can help offset the negative impact of rising interest rates.

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

Generating income without undue interest rate risk

How high yield floating rate notes work

Illustrative example: Providing an attractive income stream as interest rates rise



Delivering a growing income stream in a yield-starved environment

Source: M&G, 2017. For illustrative purposes only. *Floating rate coupon automatically adjusted in line with changes in interest rates.

Reasons to invest

- Focusing on FRNs issued by high yield companies, this innovative fund is designed to generate an attractive income stream along with a natural hedge against rising interest rates.
- High yield FRNs also provide a relatively defensive approach to high yield investing and have exhibited lower volatility than conventional high yield bonds.
- A globally diversified portfolio, the fund manager has the flexibility to invest in the most compelling opportunities across the US, Europe and emerging markets.

The value of investments and the income from them will rise and fall. This will cause the fund price, as well as any income paid by the fund, to fall as well as rise and investors may not get back the original amount invested.

UCITS HAVE NO GUARANTEED RETURN AND PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE.



A defensive approach to high yield

- To help limit downside risks, the manager focuses on senior secured issues – a type of bond which provides a strong claim on a company's assets in the event that it gets into financial difficulties.
- With minimal level of interest rate risk, the fund also offers protection against any future sell-off in government bond markets.
- Careful bond selection is based on a thorough analysis of individual credits, with the fund manager supported by a large and experienced team of analysts based in London and Chicago.

The fund allows for the extensive use of derivatives.

Contact us



www.mandg.com



www.bondvigilantes.com



[@bondvigilantes](https://twitter.com/bondvigilantes)

UCITS HAVE NO GUARANTEED RETURN AND PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE

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



Distribution of this document in or from Switzerland is not permissible with the exception of the distribution to Qualified Investors according to the Swiss Collective Investment Schemes Act, the Swiss Collective Investment Schemes Ordinance and the respective Circular issued by the Swiss supervisory authority ("Qualified Investors"). Supplied for the use by the initial recipient (provided it is a Qualified Investor) only. In Spain the M&G Investment Funds are registered for public distribution under Art. 15 of Act 35/2003 on Collective Investment Schemes as follows: M&G Investment Funds (1) reg. no 390, M&G Investment Funds (2) reg. no 601, M&G Investment Funds (3) reg. no 391, M&G Investment Funds (5) reg. no 972, M&G Investment Funds (7) reg. no 541, M&G Investment Funds (9) reg. no 930, M&G Investment Funds (12) reg. no 1415, M&G Investment Funds (14) reg. no 1243, M&G Global Dividend Fund reg. no 713, M&G Dynamic Allocation Fund reg. no 843, M&G Global Macro Bond Fund reg. no 1056 and M&G Optimal Income Fund reg. no 522, M&G (Lux) Investment Funds 1 reg. no 1551. The collective investment schemes referred to in this document (the "Schemes") are open-ended investment companies with variable capital, incorporated in England and Wales in respect of M&G Investment Funds and in Luxembourg in respect of M&G (Lux) Investment Funds. In the Netherlands, all funds referred to, are UCITS and registered with the Dutch regulator, the AFM. This information is not an offer or solicitation of an offer for the purchase of investment shares in one of the Funds referred to herein. Purchases of a Fund should be based on the current Prospectus. The Instrument of Incorporation, Prospectus, Key Investor Information Document, annual or interim Investment Report and Financial Statements, are available free of charge, in paper form, from the ACD: M&G Securities Limited, Laurence Pountney Hill, London, EC4R 0HH, GB; or one of the following - M&G International Investments Limited, German branch, mainBuilding, Taunusanlage 19, 60325 Frankfurt am Main; the Austrian paying agent: Société Générale Vienna Branch, Zweigniederlassung Wien Prinz Eugen-Strasse, 8-10/5/Top 11 A-1040 Wien, Austria; the Luxembourg paying agent: Société Générale Bank & Trust SA, Centre operational 28-32, place de la Gare L-1616 Luxembourg; the Danish paying agent: Nordea Bank Danmark A/S Issuer Services, Securities Services, Hermes Hus, Helgeshøj Allé 33, Postbox 850, DK-0900, Copenhagen C, Denmark; Allfunds Bank, Calle Estafeta, No 6 Complejo Plaza de la Fuente, La Moraleja, 28109, Alcobendas, Madrid, Spain; M&G International Investments Limited or its French branch; the French centralising agent of the Fund: RBC Investors Services Bank, France; or the Swedish paying agent: Nordea Bank AB (publ), Smdlandsgatan 17, 105 71 Stockholm, Sweden. For Switzerland, please refer to M&G International Investments Switzerland AG, Talstrasse 66, 8001 Zurich or Société Générale, Paris, Zurich Branch, Talacker 50, P.O. Box 5070, 8021 Zurich, which acts as the Swiss representative of the Schemes (the "Swiss Representative") and acts as their Swiss paying agent. For Italy, they can also be obtained on the website: www.mandgitalia.it. For Ireland, they are available in English language and can also be obtained from the Irish facilities agent, Société Générale SA, Dublin Branch, 3rd Floor IFSC House – The IFSC Dublin 1, Ireland. For Germany and Austria, copies of the Instrument of incorporation, annual or interim Investment Report, Financial Statements and Prospectus are available in English and the Prospectus and Key Investor Information Document/s are available in German. For Greece, they are available in English, except the Key Investor Information Document/s which is available in Greek, from the Greek Representative: Eurobank Ergasias S.A. 8, Othonos Street, 10557 Athens. **Before subscribing investors should read the Prospectus**, which includes investment risks relating to these funds. The information contained herein is not a substitute for independent advice. In Switzerland, this financial promotion is issued by M&G International Investments Switzerland AG, authorised and regulated by the Swiss Federal Financial Market Supervisory Authority. Elsewhere, it is issued by M&G International Investments Ltd. Registered Office: Laurence Pountney Hill, London EC4R 0HH, authorised and regulated by the Financial Conduct Authority in the UK. Registered in England No. 4134655 and has a branch located in France, 6 rue Lamennais 34, Paris 75008, registered on the Trade Register of Paris, No. 499 832 400 and a branch in Spain, with corporate domicile at Calle Fortuny, 6 – 4º A, Madrid, registered with the Commercial Registry of Madrid under Volume 32.573, sheet 30, page M-586297, inscription 1, CIF W8264591B and registered with the CNMV under the number 79. The Portuguese Securities Market Commission (Comissão do Mercado de Valores Mobiliários, the "CMVM") has received a passporting notification under Directive 2009/65/EC of the European Parliament and of the Council and the Commission Regulation (EU) 584/2010 enabling the fund to be distributed to the public in Portugal. M&G International Limited is duly passported into Portugal to provide certain investment services in such jurisdiction on a cross-border basis and is registered for such purposes with the CMVM and is therefore authorised to conduct the marketing (comercialização) of funds in Portugal. **NOV 18 / 247604**