

FUND PROFILE

For investment professionals only



Steven Andrew
Fund Manager

“A multi-asset investment strategy for income seekers.”

Fund facts

as at 31.10.17

Launch date:

7 November 2013

Fund size:

€1.024,2 m

Comparative sector:

Morningstar EUR Moderate Allocation - Global sector

Euro A share class

ISIN (Acc):

GB00BBCR3283

ISIN (Inc):

GB00BBCR3390

Initial charge: Max. 4,00%

AMC: 1,50%

Ongoing charge:† 1,68%

Minimum investment:

€1.000

Minimum top-up investment:

€75

† The ongoing charge is based on expenses for the year ending 30.04.17.

Source of fund facts unless stated otherwise: M&G Statistics, as at 31.10.17.

M&G Income Allocation Fund

A multi-asset portfolio designed with income as an outcome

Fund philosophy

- The M&G Income Allocation Fund seeks to provide investors with a growing level of income over three years by investing in a diverse mix of assets from anywhere in the world. It also aims to generate capital growth over five years or more.
- The bulk of the portfolio is dedicated to generating a stable income but the fund manager may also take-high conviction asset allocation views in order to generate capital that may be reinvested for income.

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. There is no guarantee the fund will achieve its objective, and you may not get back the amount you originally invested.

The benefits of using a multi-asset approach for income

	+	Potential for regularly accruing income
Bonds	—	Static coupon
	—	Risk of capital volatility and loss
	+	Potential for growing distributions
Equity	—	Dividend uncertainty and calendar effects
	—	Risk of capital volatility and loss
	+	Potential for regularly accruing income
Multi-asset	+	Potential for growing distributions
	+	Asset allocation aims to mitigate volatility and offer potential to generate capital return

Reasons to invest

- A flexible and dynamic asset allocation process seeking a growing income stream and capital growth.
- Delivering income, while managing volatility, by building a diversified portfolio that can invest in a variety of assets across all major investable markets. This includes equities and bonds issued by both governments and companies.
- A robust and repeatable approach used by M&G's Multi Asset team that has been developed and operated for more than 15 years.

Currency exchange rate fluctuations will impact the value of your investment.

Past performance is not a guide to future performance.

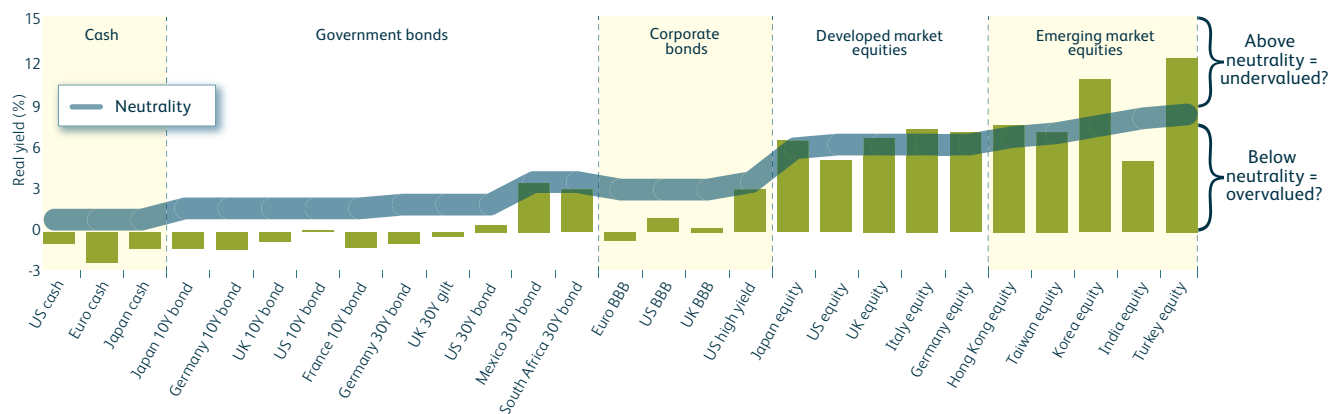
A multi-asset solution for income seekers

- The main driver of performance for the fund is a top-down approach to multi-asset investing.
- The fund offers the opportunity to combine the advantages of different asset classes in a single portfolio, while reducing the risks associated with pursuing income from a single asset class.
- The fund manager uses a distinctive investment process that combines a robust valuation framework with elements of behavioural finance.
- The manager seeks to identify and take advantage of instances where investor behaviour has moved asset prices away from what are assessed to be appropriate valuation levels.

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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

 www.allocationblog.com

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

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