

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



Monthly Fund Review as at 30 September 2019

For investment professionals only

Fund description

The fund aims to deliver combined income and capital growth, net of the Ongoing Charge Figure, that is higher than that of an index made up of two thirds global company shares (as measured by the MSCI ACWI Index) and one third global bonds (as measured by the Bloomberg Barclays Global Aggregate Index) 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.

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 may lose as much as or more than the amount invested.

The fund invests in other funds, which are subject to the risks associated with the type of assets held in those funds.

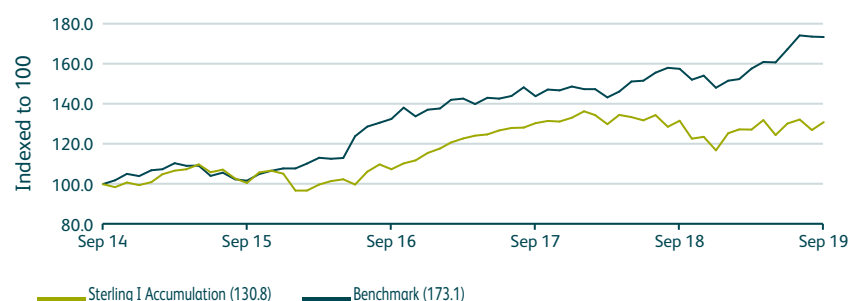
The fund can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.

Further risk factors that apply to the fund can be found in the fund's Key Investor Information Document (KIID).

Single year performance (5 years)

	2018	2017	2016	2015	2014
■ Sterling I Accumulation	-12.2%	15.1%	9.8%	5.7%	3.7%
■ Benchmark	-0.4%	8.4%	27.1%	3.6%	9.9%

Performance over 5 years



Fund performance

	1 month (%)	3 months (%)	YTD (%)	1 year (%)	3 years (%) p.a.	5 years (%) p.a.
■ Sterling I Accumulation	3.1%	0.5%	12.0%	-0.5%	6.8%	5.5%
■ Benchmark	-0.1%	3.6%	17.1%	10.1%	9.4%	11.6%

Past performance is not a guide to future performance.

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 30 September 2019. 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	Jenny Rodgers, Eric Lonergan
Fund manager tenure from	21 January 2011
Deputy fund manager	Craig Moran
ISIN	GB00B5V3ZY14
Launch date of fund	26 February 1993
Launch of share class	03 August 2012
Fund size (millions)	£ 842.45
Benchmark	2/3 MSCI ACWI Index 1/3 Bloomberg Barclays Global Aggregate Index
Benchmark type	Target
Sector	IA Mixed Investment 40-85% Shares sector
Number of companies	31
Historic yield	2.36%
Average credit rating	A
Modified duration (years)	0.22
Portfolio turnover over 12 months (%)	0.00
VaR	7.15
Average coupon	1.18
Payment dates	Mar, Jun, Sep, Dec
Ex-dividend dates	Feb, May, Aug, Nov

Charges

Entry charge	0.00%
Ongoing charge	0.90%

Things you should know

The fund allows for the extensive use of derivatives.

Fund ratings

Morningstar Analyst rating	Neutral
Overall Morningstar rating	★★
Defaqto Rating	3 Diamonds
Financial Express Crown Rating	
RSM rating	Yes
Source of Morningstar ratings: Morningstar, as at 30 September 2019	
Source: Defaqto, as at 30 September 2019	
Source: Financial Express	
Source: RSM	

Ratings should not be taken as a recommendation.

Portfolio construction (%)

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

Leverage and volatility

	Fund
Net leverage	1.0x
Gross leverage	1.2x
Volatility	10.8%

Largest exposures (excl. cash, %)

	Fund
Us equity	12.2
ISHARES CORE MSCI WORLD UCITS ETF USD ETP	10.5
M&G RECOVERY GBP C ACC GBP OPEN-END	6.0
Italy equity	4.6
M&G ASIAN GBP A INC GBP OPEN-END	4.1
M&G EUROPEAN SMALLER CO GBP A INC GBP OPEN-END	4.0
H-shares index oct 19 hkd equity index future	4.0
Mexico Government 30Y	3.4
M&G GLOBAL DIVIDEND GBP A INC GBP OPEN-END	3.4
UK Government 10Y	-4.3

Currency breakdown (%)

	Fund
British pound	86.7
US dollar	14.3
Mexican peso	3.4
South African rand	3.3
Brazilian real	3.2
Indonesian rupiah	2.6
Euro	2.1
Turkish lira	1.4
Thai baht	0.1
Other	-17.2

Asset breakdown (%)

	Long exposure	Short exposure	Net exposure
Equity	73.2	0.0	73.2
UK	14.0	0.0	14.0
Europe	9.4	0.0	9.4
US	16.4	0.0	16.4
Japan	4.2	0.0	4.2
Asia Pacific ex Japan	4.1	0.0	4.1
Global equity funds	21.1	0.0	21.1
Other	4.0	0.0	4.0
Government bonds	12.5	-7.5	5.0
UK	0.0	-4.3	-4.3
Europe	0.0	-3.2	-3.2
US	0.0	0.0	0.0
Japan	0.0	0.0	0.0
Asia Pacific ex Japan	2.6	0.0	2.6
Other	9.9	0.0	9.9
Corporate bonds	0.0	0.0	0.0
Investment grade	0.0	0.0	0.0
High yield	0.0	0.0	0.0
Global bond funds	1.3	0.0	1.3
Convertible bonds	0.0	0.0	0.0
Property funds	0.0	0.0	0.0
Cash			20.4

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	1.40%*	1.60%	£500	£100
Sterling A Inc	GB0031960478	MGMGDAL LN	GBP	01/10/2002	1.40%*	3.25%	£500	£100
Sterling I Acc	GB00B5V3ZY14	MGMNGIA LN	GBP	03/08/2012	0.90%*	2.36%	£500,000	£10,000
Sterling I Inc	GB00B708D148	MGMNGII LN	GBP	03/08/2012	0.90%*	3.14%	£500,000	£10,000
Sterling R Acc	GB00B7MY3T81	MGMNGRA LN	GBP	03/08/2012	1.15%*	2.22%	£500	£100
Sterling R Inc	GB00B75BG534	MGMNGRI LN	GBP	03/08/2012	1.15%*	3.17%	£500	£100
Sterling X Inc	GB0031616922	MGSMNGI LN	GBP	26/02/1993	1.40%*	3.25%	£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 see the Important Information for Investors document and the relevant Key Investor Information Document 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

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

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