M&G Total Return Credit Investment Fund

Monthly fund report as at 31 May 2025

The value of investments will fluctuate, which will cause prices to fall and rise and investors may not get back the original amount they invested.

Fund objective and description

The M&G Total Return Credit Investment Fund ('the fund') aims to maximise total return principally by exploiting long-term risk premia. The fund will aim to provide investors with attractive returns from capital and income from a diversified pool of debt and debt like assets. These will include, but are not limited to, debt instruments with a fixed, variable or floating rate coupon. The investment manager will identify opportunities at the market, sector, issuer or security level to enhance returns amongst fixed income asset classes, such as investment grade and high yield corporate bonds and on occasion, government bonds. Duration, yield curve and currency investment strategies may also be used. There is no geographic limitation to the investment universe. The fund aims to outperform the benchmark 1– Month EURIBOR.

Key Information

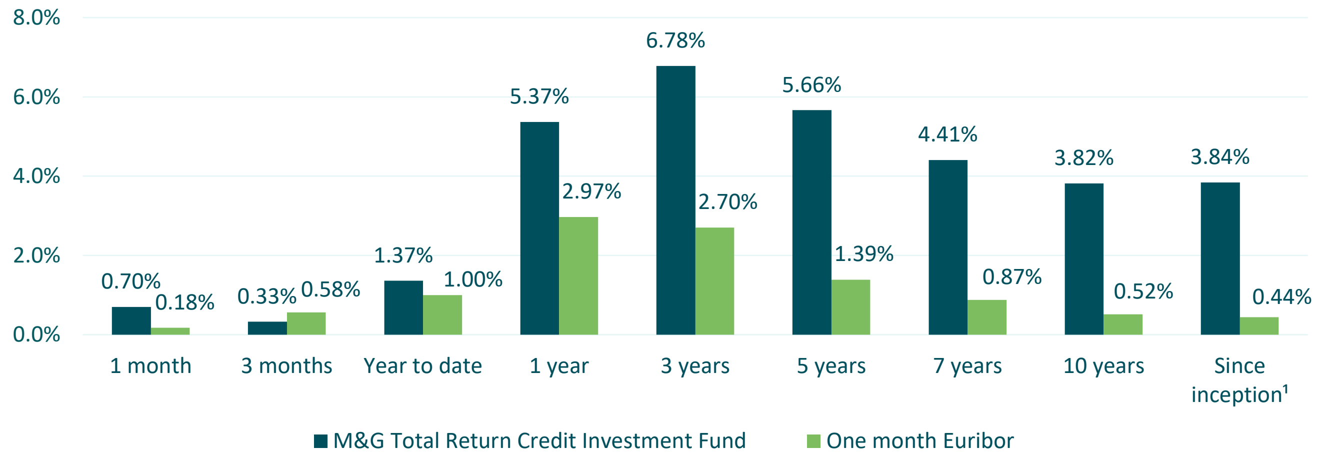
Fund manager	Richard Ryan
Fund launch date	4 March 2013
Fund type	Luxembourg SICAV (UCITS)
SFDR Classification	Article 6
Dealing and valuation dates[1]	Daily (settlement t+2)
Available share classes	EUR, GBP, CHF, JPY, CAD, SGD and USD (Accumulation and Income)
Fund size (EUR)	€4,871,409,447.29

Source: M&G as at 31st May 2025.
[1] Business day as per the Luxembourg and UK calendar.

Investment objective

The fund seeks a total return (the combination of income and capital growth) of the Benchmark plus 3-5% (gross of fees per annum), over any five year period.

Fund performance



Source: M&G as at 31st May 2025.
Gross returns of A Euro (Accumulation) Share class.
[1] Inception date 15 March 2013.All returns greater than 1 year are annualised.

Past performance is not a guide to future performance. There is no guarantee the objective will be achieved.

Fund performance (%)

Total returns	1 month	3 months	Year to date	1 year	3 years	5 years	7 years	10 years	Since inception[1]
Class A Euro (Accumulation) (Gross)	0.70	0.33	1.37	5.37	6.78	5.66	4.41	3.82	3.84
Class A Euro (Accumulation) (Net)	0.66	0.21	1.18	4.90	6.30	5.19	3.94	3.36	3.37
One month Euribor[2]	0.18	0.56	1.00	2.97	2.70	1.39	0.87	0.52	0.44
Class A Euro (Income) (Gross)	0.70	0.33	1.37	5.37	6.78	-	-	-	4.50
Class A Euro (Income) (Net)	0.66	0.22	1.18	4.90	6.30	-	-	-	4.04
One month Euribor[2]	0.18	0.56	1.00	2.97	2.70	-	-	-	1.84
Class A Sterling (Accumulation) (Gross)	0.86	0.81	2.14	7.06	8.39	6.89	5.57	4.87	4.67
Class A Sterling (Accumulation) (Net)	0.82	0.69	1.95	6.58	7.91	6.42	5.10	4.40	4.19
SONIA[2]	0.36	1.09	1.83	4.76	4.23	2.58	2.02	1.53	1.39
Class A Sterling (Income) (Gross)	0.86	0.81	2.14	7.06	8.40	6.89	5.58	4.88	4.80
Class A Sterling (Income) (Net)	0.82	0.70	1.95	6.58	7.91	6.41	5.11	4.41	4.33
SONIA[2]	0.36	1.09	1.83	4.76	4.23	2.58	2.02	1.53	1.49
Class A Swiss Franc (Accumulation) (Gross)	0.53	-0.23	0.40	2.77	4.70	-	-	-	3.09
Class A Swiss Franc (Accumulation) (Net)	0.49	-0.34	0.22	2.31	4.23	-	-	-	2.63
SARON[2]	0.02	0.06	0.14	0.76	0.98	-	-	-	0.67
Class A US Dollar (Accumulation) (Gross)	0.87	0.83	2.13	7.14	8.84	-	-	-	6.64
Class A US Dollar (Accumulation) (Net)	0.84	0.72	1.94	6.66	8.35	-	-	-	6.16
SOFR[2]	0.36	1.07	1.77	4.73	4.49	-	-	-	3.69
Class A Canadian Dollar (Accumulation) (Gross)	0.74	0.39	1.44	5.80	-	-	-	-	6.39
Class A Canadian Dollar (Accumulation) (Net)	0.23	0.70	1.20	3.71	-	-	-	-	3.92
CORRA[2]	0.70	0.27	1.25	5.33	-	-	-	-	5.91
Class A Japanese Yen (Accumulation) (Gross)	0.56	-0.20	0.40	-	-	-	-	-	2.01
Class A Japanese Yen (Accumulation) (Net)	0.52	-0.31	0.22	-	-	-	-	-	1.66
TONAR[2]	0.04	0.12	0.18	-	-	-	-	-	0.26
Class B Euro (Accumulation) (Gross)	0.70	0.33	1.37	5.37	6.78	-	-	-	4.80
Class B Euro (Accumulation) (Net)	0.67	0.23	1.20	4.95	6.36	-	-	-	4.38
One month Euribor[2]	0.18	0.56	1.00	2.97	2.70	-	-	-	2.10
Class B Euro (Income) (Gross)	0.70	0.33	1.37	5.37	6.78	-	-	-	4.80
Class B Euro (Income) (Net)	0.67	0.23	1.20	4.95	6.36	-	-	-	4.38
One month Euribor[2]	0.18	0.56	1.00	2.97	2.70	-	-	-	2.10
Class B Sterling (Accumulation) (Gross)	0.86	0.81	2.14	7.04	8.39	-	-	-	6.33
Class B Sterling (Accumulation) (Net)	0.82	0.71	1.98	6.62	7.96	-	-	-	5.91
SONIA[2]	0.36	1.09	1.83	4.76	4.23	-	-	-	2.70

Past performance is not a guide to future performance. There is no guarantee the objective will be achieved.

Total returns	1 month	3 months	Year to date	1 year	3 years	5 years	7 years	10 years	Since inception[1]
Class B Sterling (Income) (Gross)	0.85	0.80	2.13	7.02	8.38	-	-	-	6.25
Class B Sterling (Income) (Net)	0.82	0.70	1.96	6.60	7.95	-	-	-	5.83
SONIA[2]	0.36	1.09	1.83	4.76	4.23	-	-	-	3.51
Class B Singapore Dollar (Accumulation) (Gross)	0.18	0.57	-	-	-	-	-	-	0.88
Class B Singapore Dollar (Accumulation) (Net)	0.66	0.22	-	-	-	-	-	-	1.03
SORA[2]	0.18	0.57	-	-	-	-	-	-	0.88
Class Q Euro (Accumulation) (Gross)	0.70	0.33	1.37	5.37	6.78	-	-	-	5.05
Class Q Euro (Accumulation) (Net)	0.66	0.20	1.15	4.82	6.23	-	-	-	4.49
One month Euribor[2]	0.18	0.56	1.00	2.97	2.70	-	-	-	1.51
Class Q Euro (Income) (Gross)	0.70	0.33	1.36	5.37	6.78	-	-	-	5.05
Class Q Euro (Income) (Net)	0.66	0.20	1.15	4.83	6.23	-	-	-	4.49
One month Euribor[2]	0.18	0.56	1.00	2.97	2.70	-	-	-	1.51
Class QI Euro (Accumulation) (Gross)	0.70	0.33	1.37	5.37	6.78	-	-	-	5.05
Class QI Euro (Accumulation) (Net)	0.66	0.21	1.16	4.87	6.27	-	-	-	4.53
One month Euribor[2]	0.18	0.56	1.00	2.97	2.70	-	-	-	1.51
Class QI Euro (Income) (Gross)	0.70	0.33	1.37	5.37	6.78	-	-	-	5.05
Class QI Euro (Income) (Net)	0.66	0.21	1.16	4.87	6.27	-	-	-	4.53
One month Euribor[2]	0.18	0.56	1.00	2.97	2.70	-	-	-	1.51
Class P Euro (Accumulation) (Gross)	0.70	0.32	1.37	5.36	-	-	-	-	7.50
Class P Euro (Accumulation) (Net)	0.61	0.06	0.91	4.23	-	-	-	-	6.34
One month Euribor[2]	0.18	0.56	1.00	2.97	-	-	-	-	2.77
Class W Euro (Accumulation) (Gross)	0.70	0.33	1.37	5.37	6.78	-	-	-	4.79
Class W Euro (Accumulation) (Net)	0.65	0.18	1.12	4.75	6.15	-	-	-	4.18
One month Euribor[2]	0.18	0.56	1.00	2.97	2.70	-	-	-	2.10
Class W Swiss Franc (Accumulation) (Gross)	0.53	-0.22	0.40	2.76	-	-	-	-	4.39
Class W Swiss Franc (Accumulation) (Net)	0.48	-0.37	0.16	2.16	-	-	-	-	3.78
SARON[2]	0.02	0.06	0.14	0.76	-	-	-	-	1.02
Class WI Euro (Accumulation) (Gross)	0.70	0.33	1.37	5.37	6.79	-	-	-	4.80
Class WI Euro (Accumulation) (Net)	0.66	0.19	1.14	4.79	6.20	-	-	-	4.23
One month Euribor[2]	0.18	0.56	1.00	2.97	2.70	-	-	-	2.10
Class WI Euro (Income) (Gross)	0.70	0.33	1.37	5.37	6.78	-	-	-	4.80
Class WI Euro (Income) (Net)	0.66	0.19	1.14	4.79	6.20	-	-	-	4.22
One month Euribor[2]	0.18	0.56	1.00	2.97	2.70	-	-	-	2.10

Source: M&G as at 31th May 2025.

[1] Please refer to the since inception dates in the Pricing table. All returns greater than 1 year are annualised.
[2] Datastream, One month Euribor levels supplied by the European Banking Federation. One month Libor levels supplied by BBA Libor up to 30 June 2014 and ICE Benchmark Services thereafter until 31st October 2021. From 1st November 2021, SONIA levels are supplied by the Bank of England, SARON levels are supplied by SIX, CORRA levels are supplied by The Bank of Canada. SOFR levels are supplied by the Federal Reserve Bank of New York and TONAR levels are supplied by the Bank of Japan, SGD levels are supplied by The Monetary Authority of Singapore.
A difference in the benchmark returns across share classes may arise due to daily versus monthly calculation methodologies.

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Single year performance (%)

Yearly return (gross of fees)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Class A Euro (Accumulation)	8.86	8.83	-0.91	2.55	6.37	5.74	-1.92	3.44	5.92	0.41
Class A Sterling (Accumulation)	10.32	10.34	0.58	3.15	6.83	6.97	-0.88	4.23	6.70	1.03
Class A Swiss Francs (Accumulation)	6.09	6.69	-1.36	–	–	–	–	–	–	–
Class A US Dollar (Accumulation)	10.49	10.94	1.10	–	–	–	–	–	–	–
Class B Euro (Accumulation)	8.85	8.82	-0.91	–	–	–	–	–	–	–
Class P Euro (Accumulation)	8.84	8.83	–	–	–	–	–	–	–	–
Class W Euro (Accumulation)	8.84	8.83	-0.92	–	–	–	–	–	–	–
Class W Swiss Francs (Accumulation)	6.08	–	–	–	–	–	–	–	–	–
Class WI Euro (Accumulation)	8.84	8.83	-0.89	–	–	–	–	–	–	–
One Month Euribor[1]	3.57	3.24	0.09	-0.56	-0.50	-0.40	-0.37	-0.37	-0.34	-0.07
SONIA[1]	5.07	4.58	1.37	0.06	0.21	0.72	0.60	0.30	0.41	0.51
SOFR[1]	5.15	5.00	1.63	–	–	–	–	–	–	–
SARON[1]	1.28	1.45	-0.24	–	–	–	–	–	–	–

Source: M&G as at 31th May 2025.

[1] Datastream, One month Euribor levels supplied by the European Banking Federation. One month Libor levels supplied by BBA Libor up to 30 June 2014 and ICE Benchmark Services thereafter until 31st October 2021. From 1st November 2021, SONIA levels are supplied by the Bank of England, SARON levels are supplied by SIX, SOFR levels are supplied by the Federal Reserve Bank of New York and TONAR levels are supplied by the Bank of Japan, SGD levels are supplied by The Monetary Authority of Singapore.

Performance attribution

Position	One month (bps)
Corporate bonds	**51**
Financial	19
Industrial	25
Securitized	4
Covered	1
Utility	2
Sovereign, Quasi & Government	**0**
Cash	**1**
Yield curve, duration and FX hedging	**0**
Residual*	**1**
Total	**53**

Source: M&G, Blackrock Aladdin ™, as 31st May 2025.
Attribution based on the relative performance return of the A Euro share class gross of fees. Attribution is calculated arithmetically and may not map directly to geometrically calculated performance. *Residual differences may arise between custodian pricing and internal performance attribution system due to currency rates and securities pricing particularly during times of increased market volatility.

Fund Analytics

Key characteristics	Fund
Number of issues	533
Number of issuers	401
Average credit rating[1]	A+
Running yield	3.44
Yield to worst	5.56% (GBP) 3.42% (EUR) 5.74% (USD)
Yield to maturity	5.59% (GBP) 3.45% (EUR) 5.77% (USD)
Coupon	3.84%
Spread duration (years)	2.39
Modified duration to worst[2]	-0.03
WAL to worst (years)	2.95
OAS	130.07
PV01	0.0000%
CR01	0.0240%
IE01	0.0000%
99% 20 day value at risk	1.05%

Source: M&G as at 31st May 2025.
[1] Linear average credit rating.
[2] For GBP share classes.

Ex-Post Risk statistics (%)

Ex-post risk statistics	3 years	5 years	7 years	10 years	Since Inception
Volatility (gross)[1]	3.68	3.38	4.09	3.87	3.60
Volatility (net)[1]	3.67	3.38	4.09	3.87	3.60
Sharpe ratio (gross)	1.11	1.26	0.86	0.85	0.94
Sharpe ratio (net)	0.98	1.12	0.75	0.73	0.81

Source: M&G as at 31st May 2025.
Based on gross and net return of A Euro (Accumulation) share class. [1] Ex-post volatility.

Positioning

Sector breakdown[1]	%
Quasi and foreign government	5.76
Sovereign	3.98
Securitised	8.02
Covered	6.12
Financials	22.93
Industrials	22.43
Utilities	3.06
Equity	0.05
Net cash and derivatives	27.65
Total	**100**

Source: M&G as at 31st May 2025.
[1] ICE BofAML Level 2 Industry sectors.

Credit rating breakdown[1]	%
AAA	21.43
AA	2.89
A	9.06
BBB	21.70
BB and below	17.22
Net cash and derivatives	27.65
Equity	0.05
Total	**100**

Source: M&G as at 31st May 2025.
[1] Average of S&P, Moodys and Fitch or M&G internal rating.

Top five corporate issues[1]	%
PBBGR 7.625 08-Dec-2025	0.38
TRIOD 2.25 05-Feb-2032	0.34
BYLAN 1 23-Sep-2031	0.29
MET 3.75 05-Dec-2030	0.29
YBS 3.511 11-Oct-2030	0.29

Source: M&G as at 31st May 2025.
[1] Excludes sovereign and quasi government instruments.

Top five corporate issuers[1]	%
Triodos Bank	0.50
Argenta Spaarbank	0.49
Commerzbank	0.48
MPT Operating Partnership	0.45
UBS Group	0.45

Source: M&G as at 31st May 2025.
[1] Excludes sovereign and quasi government instruments.

Currency of assets before hedging[1]	%
EUR	76.18
GBP	11.73
USD	12.02
Net derivatives	0.07
Total	**100**

Source: M&G as at 31st May 2025.
[1] Unhedged currency of assets in portfolio, all non-EUR investments are fully currency hedged.

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Pricing

Share class	Inception date	ISIN	Bloomberg code	Price per share	Dividend rate[1]
EUR A (Acc)	15-Mar-13	LU0895902640	ESMRCAE LX	€149.81	–
EUR A (Inc)	07-May-21	LU0895902723	EMGTBED LX	€101.09	–
GBP A (Acc)	18-Oct-13	LU0895902996	ESMRCGH LX	€161.15	–
GBP A (Inc)	21-Nov-14	LU0895903028	EMGTDGH LX	€120.14	–
CHF A (Acc)	27-Sep-21	LU1998248139	MGTRCAA LX	CHF110.00	–
USD A (Acc)	27-Sep-21	LU1055595000	ESMGTGU LX	$124.56	–
USD A (Inc)	27-Sep-21	LU1942575116	ESMRAUH LX	$109.97	–
CAD A (ACC)	25-Mar-24	LU2742454254	MGRETIA LX	$107.03	-
JPY A (ACC)	22-Aug-24	LU2860980619	MGRCAAJ LX	¥10,166.13	-
EUR B (Acc)	27-Sep-21	LU1942575462	ESMRBEA LX	€117.05	–
GBP B (Acc)	21-Aug-20	LU1942575207	ESMRBGH LX	£131.55	–
GBP B (Inc)	27-Sep-21	LU1942575389	ESMBGHD LX	£108.45	–
SGD B (Acc)	15-Jan-25	LU2943690235	ESMGTRB LX	$101.03	–
EUR Q (Acc)	11-Sep-20	LU2063237445	ESMGQAE LX	€123.04	–
EUR Q (Inc)	11-Sep-20	LU2063237528	ESMGQDE LX	€106.75	–
EUR QI (Acc)	11-Sep-20	LU2063237791	ESMQIAE LX	€123.26	–
EUR QI (Inc)	11-Sep-20	LU2063237874	ESMQIDE LX	€106.79	–
EUR P (Acc)	21-Jun-22	LU2482630675	ESMRERP LX	€119.43	–
Eur W (Acc)	27-Sep-21	LU2377005462	EURCICW LX	€116.22	–
CHF W (Acc)	11-Sep-20	LU2713267263	ESMCWAC LX	CHF105.52	–
EUR WI (Acc)	27-Sep-21	LU2377005629	EURCICE LX	€116.43	–
EUR WI (Inc)	27-Sep-21	LU2377005892	EURCIWD LX	€103.10	–

Source: M&G as at 31st May 2025.
[1] The dividend rate is a preliminary rate and is subject to change.

Market commentary

May proved to be a robust month for most financial assets, driven by encouraging economic data and reduced U.S.-China trade tariffs, which prompted investors to dial back expectations of a global economic slowdown. However, US Treasuries faced significant challenges amid rising concerns over the fiscal outlook, exacerbated by a credit rating downgrade from Moody's. Additionally, attention centred on a tax bill progressing through Congress, contributing to a tough environment for Treasuries. As a result, Treasuries declined, with the 30-year yield reaching an intraday high of 5.15%, reflecting a wider global sell-off in longer-dated bonds.

In the Euro area, May saw aggregate inflation at 2.2%, although CPI Core inflation rebounded from 2.4% YoY to 2.7%. Q1 GDP growth landed at 0.3% QoQ vs. the expected 0.4% and the unemployment rate remained steady at its historical low of 6.2%.

Talks between the EU trade commissioner and his US counterparts took place in early June on occasion of the OECD ministerial meeting, even though the US Court of International Trade had ruled that Trump's "Liberation Day" tariff programme was illegal. The ruling affects duties announced by Trump on April 2, including a baseline 10% tariff, but Sectoral levies on imports of cars, steel and aluminium from the EU at 25% remain in place. Trump had initially declared a 50% blanket tariff rate on goods from the bloc but subsequently pulled back, following a call with European Commission president Ursula von der Leyen.

In the US, robust April jobs report marked one of the first significant data points following Liberation Day. The report revealed nonfarm payrolls rose by 177k, with the unemployment rate holding steady at 4.2%, signalling to investors that the U.S. economy was not facing an abrupt decline. This positive sentiment was further bolstered when the ISM services index unexpectedly climbed to 51.6, solidifying the view of sustained economic resilience. The US and the UK announced a trade deal on May 8, raising hopes that this could be the first of many trade deals. On May 12, markets received a positive jolt when the U.S. and China announced a 90-day tariff reduction, with the U.S. lowering its rate on Chinese goods from 145% to 30%. This unexpected development uplifted investor sentiment, particularly as it contrasted with former President Trump's recent statement advocating for an "80% tariff on China" and his campaign rhetoric pushing for a 60% rate. Mid-month though, a growing unease about the U.S. fiscal outlook took hold. The tipping point came with a Moody's downgrade, amplifying existing worries about persistent U.S. deficits exceeding 6% of GDP in 2023 and 2024. This sparked a rise in long-end Treasuries yields, with the 30-year Treasury yield surpassing 5% by May 21. Although it eased slightly by month-end to close at 4.93%, this still reflected a 25-basis-point increase for May overall.

In the UK, the Monetary Policy Committee (MPC) voted by a majority of 5–4 to reduce the Bank Rate by 0.25 percentage points, from 4.5% to 4.25%. The decision was driven by concerns over lacklustre economic growth and the expected impact of U.S. trade tariffs, despite inflation remaining above the BoE's 2% target at 2.6% in March 2025. CPI numbers for April surprised to the upside with Core YoY at 3.8% and headline at 3.5%, proving to be stickier than surveys expected.

Across Europe, US and the UK, spreads on Investment Grade corporate bonds tightened in May 2025. Spreads across geographies are now close to levels last seen prior to the tariff-related volatility. In the Investment Grade markets, EUR, USD and GBP finished May at 98bps (-13bps), 92bps (-17bps) and 108bps (-10bps) respectively. Total returns for May were positive across the EUR IG (+0.523%) and US IG (+0.003%) but negative for UK IG (-0.155%). Finally, Government bonds struggled throughout the month and underperformed across Europe (-0.383%), US (-1.071%) and the UK (+1.361%).

The Global high Yield index returned +1.58% (USD-H) in May and YTD performance remains at a respectable +2.7%. Given that government bond yields were volatile during the month, gains were driven by tighter High Yield spreads tightened across the board in May, led by US High Yield which benefitted from a rebound in risk appetite from the US/China de-escalation and generally recent positive economic surprises. Spreads tightened c. 50-75bp during the month to close at 332bp (US HY), 327bp (EU HY) and 462bp (HY FRN). US High Yield has now erased most of its tariff-related losses, and spreads in other High Yield markets are now inside of Liberation Day levels.

Monthly positioning

May was a slightly quieter month for transactions as spreads retraced to levels seen pre liberation day. Some opportunities could be seen in the secondary market, particularly in USD denominated bonds where levels appeared attractive on a relative value basis. The new issuance market remained busy with some new issuance premia on offer.

The Fund's exposure to defensive assets started to climb slowly again as we reduced exposure to assets that appeared unattractive on a relative value basis. The Fund also purchased a few Senior ABS positions to diversify the defensive asset base.

Overall risk levels remained steady over the period with the Fund's spread duration remaining at 2.63 years from the end of April to May.

In the secondary market, we increased our exposure to USD denominated industrials, which now appear attractive on a relative value basis. The Fund purchased bonds issued by LYB International (USD, Basic Industry), Vallourec (USD, Basic Industry) and ZF (USD, Automotive).

We remained active in the primary market, purchasing EUR/USD denominated bonds which came to market at attractive levels. Purchases included Magna (USD/EUR, Automotive), Robert Bosch (EUR, Automotive), Jab Holdings (USD, Financial) and Prysmian (EUR, Technology).

In terms of de-risking, we reduced exposure to USD/EUR denominated financials that had performed well, such as Bank of America (USD, Banking) and Worldline (EUR, Financial Services).

Finally, the Fund carried out relative value switches within the industrial sector, switching from shorter dated bonds issued by Ineos (EUR, Basic Industry) into longer dated bonds for a pick-up in yield.

Outlook

May saw a reversal of the earlier volatility seen post "Trump Tariffs". Over the month we saw spreads retracing, ending the period at levels seen pre Liberation Day. Broadly speaking, credit spreads remain at historically expensive levels, albeit idiosyncratic opportunities persist. We believe that a patient and highly selective approach to fixed income investment is the best strategy to take advantage of opportunities in today's market.

Taxonomy summary

Pursuant to EU Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending SFDR (the "Taxonomy Regulation"), the Manager is required to disclose alignment with the Taxonomy Regulation. As at the date of this report, this Fund is not subject to Article 8 or to Article 9 of the SFDR. As such, the investments underlying this fund do not take into account the EU criteria for environmentally sustainable economic activities.

Investment process

The M&G Total Return Credit Investment Fund ('the fund') seeks to add value through a fundamentally driven, "bottom up", value-based approach to credit investing, which we believe results in lower volatility and higher returns. The fund removes all interest rate risk, and derives its returns principally from capturing credit risk premia, investing only where we have a strong conviction that the price at which we can transact more than compensates for the risk being taken.

This is based on the belief that securities can become mispriced and over or undervalued as a consequence of a variety of issuer/sector factors, or wider events including social or political unrest and episodes of market greed or panic. M&G has a team of over 100 fundamental credit analysts, covering public and private debt markets, who analyse, monitor and independently rate issuers in the investible universe. This analytical resource enables the fund manager to identify and select sufficient numbers of cheap bonds to generate consistent returns; these may include stocks where a change in market price does not reflect underlying credit fundamentals, or where a change in the fundamentals has yet to be reflected in the price. It may also include bonds that other investors are unsure about, or unable to analyse and value. The breadth of the universe that the fund is able to allocate to, and the depth of individual opportunities within each credit asset class, regularly provides the fund manager with significant numbers of investment opportunities to enable a high level of portfolio diversification. Critically, we do not invest based on forecasts of the level and direction of interest rates, inflation, growth and other variables, which we believe do not represent a reliable or repeatable source of outperformance. Therefore we remove all of the underlying interest rate risks of the bonds held in the fund, and fully hedge all currency exposure.

Benchmark: 1-Month EURIBOR

The benchmark is a target which the fund seeks to achieve. The rate has been chosen as the fund's benchmark as it is

an achievable performance target and best reflects the scope of the fund's investment policy. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

The fund is actively managed. The investment manager has complete freedom in choosing which assets to buy, hold and sell in the fund, subject to the investment restrictions set out in the fund's prospectus, and there are no restrictions on the extent to which the fund's performance may deviate from the one of the benchmark.

For unhedged and currency hedged share classes, the benchmark is shown in the share class currency.

Fund manager

Richard Ryan joined M&G in 2002 and has managed the multi-asset credit strategies since their inception in 2007. Richard has 24 years of experience managing institutional corporate bond funds. Richard is also able to draw on the strengths of M&G's specialist portfolio management and analyst teams within the Fixed Income business. Richard graduated from Southampton University with a degree in Economics.

Past performance is not a guide to future performance. There is no guarantee the objective will be achieved.

Key risk guidelines

Key risk guidelines	Maximum
Interest rate risk (duration)	+ / - 3 years
Max sub-investment grade	50%
Single issuer: AAA to AA-	+ 5%
Single issuer: A+ to BBB-	+ 3%
Single issuer: below BBB-	+ 2%

Source: M&G as at 31st May 2025.

Risks associated with this fund

Market risk: The value of investments and the income from them will rise and fall. This will cause the sub-fund price, as well as any income paid by the sub-fund, to fall as well as rise. There is no guarantee the sub-fund will achieve its objective, and you may not get back the amount you originally invested.

Credit Risk: The value of the sub-fund may fall if the issuer of a fixed income security held is unable to pay income payments or repay its debt (known as a default).

Interest Rate Risk: When interest rates rise, the value of the sub-fund is likely to fall.

Derivatives Risk: The sub-fund may use derivatives to gain exposure to investments and this may cause greater changes in the sub-fund's price and increase the risk of loss.

Counterparty Risk: Some transactions the sub-fund makes, such as placing cash on deposit, require the use of other financial institutions. If one of these institutions defaults on their obligations or becomes insolvent, the sub-fund may incur a loss.

Below Investment Grade Debt Securities Risk: Such securities generally carry a greater risk of default and sensitivity to adverse economic events than higher rated debt securities.

Asset-Backed Securities Risk: The assets backing mortgage and asset backed securities may be repaid earlier than required, resulting in a lower return.

Contingent Convertible Debt Securities Risk: investing in contingent convertible debt securities may adversely impact the fund should specific trigger events occur and the fund may be at increased risk of capital loss.

Hedged share classes use currency hedging strategies to minimise currency exchange rate risk. There will be imperfections with any hedging strategy, and it cannot be guaranteed that the hedging objective will be achieved. The hedging strategy may substantially limit holders of the hedged share class from benefiting if the hedged share class currency fails against the reference currency.

Please note this is not an exhaustive list, you should ensure you understand the risk profile of the products or services you plan to purchase.

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concerning the Key Information Document, please refer to www.afm.nl/eid. 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 Information Document/s are available in German.

Before subscribing investors should read the Key Information Document and the Prospectus, which includes a description of the investment risks relating to these funds. The value of the assets managed by the funds may greatly fluctuate as a result of the investment policy.
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