M&G Total Return Credit Investment Fund

Monthly fund report as at 31 July 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

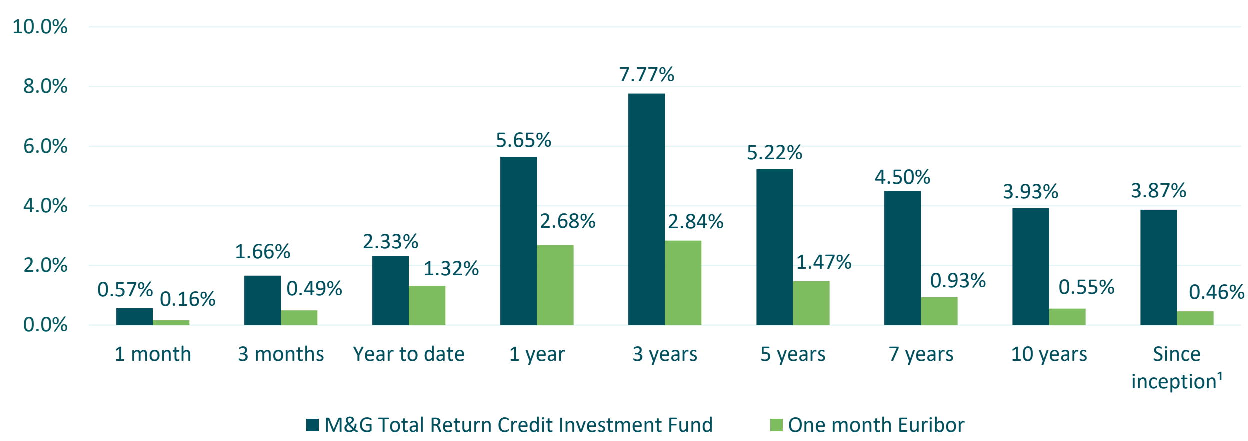
Fund manager	Richard Ryan
Fund launch date	4 March 2013
Fund type	Luxembourg SICAV (UCITS)
SFDR Classification	Article 6
Dealing and valuation dates[1]	Daily (settlement t+2)
Available share classes	EUR, GBP, CHF, JPY, CAD, SGD and USD (Accumulation and Income)
Fund size (EUR)	€4,928,104,147.53

Source: M&G as at 31st July 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 July 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)	0.57	1.66	2.33	5.65	7.77	5.22	4.50	3.93	3.87
Class A Euro (Accumulation) (Net)	0.53	1.54	2.06	5.17	7.28	4.75	4.03	3.46	3.39
One month Euribor[2]	0.16	0.49	1.32	2.68	2.84	1.47	0.93	0.55	0.46
Class A Euro (Income) (Gross)	0.57	1.66	2.33	5.65	7.77	-	-	-	4.55
Class A Euro (Income) (Net)	0.53	1.54	2.06	5.18	7.28	-	-	-	4.09
One month Euribor[2]	0.16	0.49	1.32	2.68	2.84	-	-	-	1.84
Class A Sterling (Accumulation) (Gross)	0.77	2.19	3.49	7.50	9.44	6.51	5.70	5.01	4.72
Class A Sterling (Accumulation) (Net)	0.73	2.08	3.23	7.02	8.95	6.04	5.22	4.54	4.24
SONIA[2]	0.35	1.05	2.53	4.59	4.40	2.72	2.11	1.60	1.43
Class A Sterling (Income) (Gross)	0.76	2.19	3.49	7.49	9.44	6.51	5.70	5.01	4.85
Class A Sterling (Income) (Net)	0.73	2.08	3.22	7.01	8.95	6.03	5.23	4.54	4.38
SONIA[2]	0.35	1.05	2.53	4.59	4.40	2.72	2.11	1.60	1.53
Class A Swiss Franc (Accumulation) (Gross)	0.36	1.10	0.97	3.11	5.53	-	-	-	3.10
Class A Swiss Franc (Accumulation) (Net)	0.32	0.99	0.71	2.65	5.05	-	-	-	2.64
SARON[2]	0.00	0.02	0.14	0.55	1.00	-	-	-	0.64
Class A US Dollar (Accumulation) (Gross)	0.77	2.23	3.50	7.56	9.85	-	-	-	6.71
Class A US Dollar (Accumulation) (Net)	0.73	2.12	3.23	7.08	9.36	-	-	-	6.23
SOFR[2]	0.36	1.07	2.49	4.57	4.66	-	-	-	3.71
Class A Canadian Dollar (Accumulation) (Gross)	0.61	1.78	2.50	6.03	-	-	-	-	6.39
Class A Canadian Dollar (Accumulation) (Net)	0.57	1.67	2.23	5.56	-	-	-	-	5.91
CORRA[2]	0.23	0.69	1.66	3.38	-	-	-	-	3.77
Class A Japanese Yen (Accumulation) (Gross)	0.41	1.23	1.07	-	-	-	-	-	2.69
Class A Japanese Yen (Accumulation) (Net)	0.37	1.11	0.80	-	-	-	-	-	2.26
TONAR[2]	0.04	0.12	0.26	-	-	-	-	-	0.35
Class B Euro (Accumulation) (Gross)	0.57	1.66	2.33	5.65	7.77	-	-	-	4.84
Class B Euro (Accumulation) (Net)	0.53	1.55	2.09	5.23	7.34	-	-	-	4.42
One month Euribor[2]	0.16	0.49	1.32	2.68	2.84	-	-	-	2.09
Class B Euro (Income) (Gross)	0.57	1.66	2.33	5.65	7.77	-	-	-	4.84
Class B Euro (Income) (Net)	0.53	1.55	2.09	5.23	7.34	-	-	-	4.42
One month Euribor[2]	0.16	0.49	1.32	2.68	2.84	-	-	-	2.09
Class B Sterling (Accumulation) (Gross)	0.76	2.19	3.49	7.48	9.43	-	-	-	6.40
Class B Sterling (Accumulation) (Net)	0.73	2.09	3.25	7.05	9.00	-	-	-	5.97
SONIA[2]	0.35	1.05	2.53	4.59	4.40	-	-	-	2.75

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)	0.75	2.18	3.47	7.46	9.41	-	-	-	6.34
Class B Sterling (Income) (Net)	0.72	2.08	3.23	7.03	8.98	-	-	-	5.91
SONIA[2]	0.35	1.05	2.53	4.59	4.40	-	-	-	3.54
Class B Singapore Dollar (Accumulation) (Gross)	0.53	1.62	-	-	-	-	-	-	2.11
Class B Singapore Dollar (Accumulation) (Net)	0.50	1.51	-	-	-	-	-	-	1.89
SORA[2]	0.14	0.46	-	-	-	-	-	-	1.15
Class Q Euro (Accumulation) (Gross)	0.57	1.66	2.33	5.65	7.77	-	-	-	5.08
Class Q Euro (Accumulation) (Net)	0.52	1.52	2.02	5.10	7.21	-	-	-	4.52
One month Euribor[2]	0.16	0.49	1.32	2.68	2.84	-	-	-	1.52
Class Q Euro (Income) (Gross)	0.56	1.65	2.32	5.65	7.77	-	-	-	5.08
Class Q Euro (Income) (Net)	0.52	1.52	2.01	5.10	7.21	-	-	-	4.52
One month Euribor[2]	0.16	0.49	1.32	2.68	2.84	-	-	-	1.52
Class QI Euro (Accumulation) (Gross)	0.57	1.66	2.33	5.65	7.77	-	-	-	5.08
Class QI Euro (Accumulation) (Net)	0.52	1.53	2.04	5.14	7.25	-	-	-	4.56
One month Euribor[2]	0.16	0.49	1.32	2.68	2.84	-	-	-	1.52
Class QI Euro (Income) (Gross)	0.57	1.66	2.33	5.65	7.76	-	-	-	5.08
Class QI Euro (Income) (Net)	0.52	1.53	2.04	5.14	7.25	-	-	-	4.56
One month Euribor[2]	0.16	0.49	1.32	2.68	2.84	-	-	-	1.52
Class P Euro (Accumulation) (Gross)	0.57	1.66	2.32	5.65	7.77	-	-	-	7.41
Class P Euro (Accumulation) (Net)	0.47	1.38	1.68	4.51	6.60	-	-	-	6.25
One month Euribor[2]	0.16	0.49	1.32	2.68	2.84	-	-	-	2.72
Class P M F6 US Dollar (Income) (Gross)	-	-	-	-	-	-	-	-	0.31
Class P M F6 US Dollar (Income) (Net)	-	-	-	-	-	-	-	-	0.31
SOFR2	-	-	-	-	-	-	-	-	0.24
Class P M F6 Singapore Dollar (Income) (Gross)	-	-	-	-	-	-	-	-	0.16
Class P M F6 Singapore Dollar (Income) (Net)	-	-	-	-	-	-	-	-	0.16
SORA2	-	-	-	-	-	-	-	-	0.09
Class P M F6 Hong Kong Dollar (Income) (Gross)	-	-	-	-	-	-	-	-	0.09
Class P M F6 Hong Kong Dollar (Income) (Net)	-	-	-	-	-	-	-	-	0.09
HIBOR2	-	-	-	-	-	-	-	-	0.01
Class P M Hong Kong Dollar (Income) (Gross)	-	-	-	-	-	-	-	-	0.09
Class P M Hong Kong Dollar (Income) (Net)	-	-	-	-	-	-	-	-	0.09
HIBOR2	-	-	-	-	-	-	-	-	0.01
Class W Euro (Accumulation) (Gross)	0.57	1.66	2.33	5.65	7.77	-	-	-	4.84
Class W Euro (Accumulation) (Net)	0.52	1.51	1.98	5.03	7.13	-	-	-	4.22
One month Euribor[2]	0.16	0.49	1.32	2.68	2.84	-	-	-	2.09

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Total returns	1 month	3 months	Year to date	1 year	3 years	5 years	7 years	10 years	Since inception[1]
Class W Swiss Franc (Accumulation) (Gross)	0.36	1.10	0.97	3.10	-	-	-	-	4.29
Class W Swiss Franc (Accumulation) (Net)	0.30	0.95	0.63	2.50	-	-	-	-	3.68
SARON[2]	0.00	0.02	0.14	0.55	-	-	-	-	0.92
Class WI Euro (Accumulation) (Gross)	0.57	1.66	2.33	5.65	7.77	-	-	-	4.84
Class WI Euro (Accumulation) (Net)	0.52	1.52	2.00	5.07	7.18	-	-	-	4.27
One month Euribor[2]	0.16	0.49	1.32	2.68	2.84	-	-	-	2.09
Class WI Euro (Income) (Gross)	0.57	1.66	2.33	5.65	7.77	-	-	-	4.84
Class WI Euro (Income) (Net)	0.52	1.52	2.00	5.07	7.18	-	-	-	4.27
One month Euribor[2]	0.16	0.49	1.32	2.68	2.84	-	-	-	2.09

Source: M&G as at 31st July 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.

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 31st July 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.

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Performance attribution

Position	One month (bps)
Corporate bonds	**36**
Financial	16
Industrial	15
Securitized	2
Covered	1
Utility	2
Sovereign, Quasi & Government	**0**
Cash	**1**
Yield curve, duration and FX hedging	**0**
Residual*	**2**
Total	**41**

Source: M&G, Blackrock Aladdin ™, as 31st July 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	547
Number of issuers	411
Average credit rating[1]	A+
Running yield	3.44
Yield to worst	5.15% (GBP) 3.09% (EUR) 5.48% (USD)
Yield to maturity	5.28% (GBP) 3.23% (EUR) 5.62% (USD)
Coupon	3.80%
Spread duration (years)	2.35
Modified duration to worst[2]	0.00
WAL to worst (years)	2.80
OAS	115.80
PV01	0.0000%
CR01	0.0240%
IE01	0.0000%
99% 20 day value at risk	0.86%

Source: M&G as at 31st July 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]	2.79	3.31	4.08	3.87	3.58
Volatility (net)[1]	2.79	3.31	4.08	3.87	3.58
Sharpe ratio (gross)	1.77	1.13	0.87	0.87	0.95
Sharpe ratio (net)	1.60	0.99	0.76	0.75	0.82

Source: M&G as at 31st July 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	6.08
Sovereign	2.51
Securitised	9.92
Covered	6.14
Financials	23.30
Industrials	22.30
Utilities	2.29
Equity	0.03
Net cash and derivatives	27.43
Total	**100**

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

Credit rating breakdown[1]	%
AAA	22.07
AA	3.15
A	8.87
BBB	21.75
BB and below	16.70
Net cash and derivatives	27.43
Equity	0.03
Total	**100**

Source: M&G as at 31st July 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	0.37
TRIOD 2.25 05-Feb-2032	0.35
MET 3.75 05-Dec-2030	0.30
BYLAN 1 23-Sep-2031	0.29
NYLIFE 3.45 30-Jan-2031	0.29

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

Top five corporate issuers[1]	%
SES	0.49
Argenta Spaarbank	0.49
Commerzbank	0.48
MPT	0.46
UBS	0.45

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

Currency of assets before hedging[1]	%
EUR	76.50
GBP	12.60
USD	11.19
Net derivatives	-0.29
Total	**100**

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

Pricing

Share class	Inception date	ISIN	Bloomberg code	Price per share	Dividend rate[1]
EUR A (Acc)	15-Mar-13	LU0895902640	ESMRCAE LX	€151.12	–
EUR A (Inc)	07-May-21	LU0895902723	EMGTBED LX	€101.12	–
GBP A (Acc)	18-Oct-13	LU0895902996	ESMRCGH LX	€163.16	–
GBP A (Inc)	21-Nov-14	LU0895903028	EMGTDGH LX	€120.61	–
CHF A (Acc)	27-Sep-21	LU1998248139	MGTRCAA LX	CHF110.54	–
USD A (Acc)	27-Sep-21	LU1055595000	ESMGTGU LX	$126.14	–
USD A (Inc)	27-Sep-21	LU1942575116	ESMRAUH LX	$110.40	–
CAD A (ACC)	25-Mar-24	LU2742454254	MGRETIA LX	$108.06	-
JPY A (ACC)	22-Aug-24	LU2860980619	MGRCAAJ LX	¥10,225.71	-
EUR B (Acc)	27-Sep-21	LU1942575462	ESMRBEA LX	€118.08	–
GBP B (Acc)	21-Aug-20	LU1942575207	ESMRBGH LX	£133.20	–
GBP B (Inc)	27-Sep-21	LU1942575389	ESMBGHD LX	£108.93	–
SGD B (Acc)	15-Jan-25	LU2943690235	ESMGTRB LX	$101.89	–
EUR Q (Acc)	11-Sep-20	LU2063237445	ESMGQAE LX	€124.09	–
EUR Q (Inc)	11-Sep-20	LU2063237528	ESMGQDE LX	€106.79	–
EUR QI (Acc)	11-Sep-20	LU2063237791	ESMQIAE LX	€124.33	–
EUR QI (Inc)	11-Sep-20	LU2063237874	ESMQIDE LX	€106.82	–
EUR P (Acc)	21-Jun-22	LU2482630675	ESMRERP LX	€120.34	–
USD P (INC)	10-Jul-25	LU3099798772	ESIMGU1 LX	$100.31	–
SGD P (INC)	10-Jul-25	LU3099798939	ESIMSGD LX	$100.16	–
HKD P (INC)	10-Jul-25	LU3099799077	ESIMGF1 LX	$1,000.92	–
HKD P (INC)	10-Jul-25	LU3082798474	ESMGTPH LX	$1,000.91	–
EUR W (Acc)	27-Sep-21	LU2377005462	EURCICW LX	€117.21	–
CHF W (Acc)	11-Sep-20	LU2713267263	ESMCWAC LX	CHF106.01	–
EUR WI (Acc)	27-Sep-21	LU2377005629	EURCICE LX	€117.42	–
EUR WI (Inc)	27-Sep-21	LU2377005892	EURCIWD LX	€103.04	–

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

Market commentary

July was a strong month for most financial assets. Overall, credit spreads remained historically tight, while trade dynamics, fiscal stimulus, and cautious central bank policies shaped the broader macroeconomic environment.

In the Euro area, the ECB held its deposit rate at 2%, with President Lagarde suggesting June's rate may mark the end of easing. Germany's draft budget introduced front-loaded stimulus, pushing bond yields higher. Inflation across the euro area eased to 2% in June, its lowest in years, while core inflation remained just above 2%, with notable slowdowns in Germany (2.0%) and Italy (1.7%). Mid-month indicators were mixed: manufacturing stayed weak, services PMIs showed expansion, and bank lending surveys pointed to gradually tightening credit conditions.

Over the month in the US, President Trump delayed the July 9 tariff deadline to August 1, then imposed 15–20% rates on some countries and up to 50% on others, including Canada (35%) and Brazil (50%). He also signed the "One Big Beautiful Bill," introducing tax cuts, with economists projecting a budget deficit of 6.5–7% of GDP over the next few years. The Fed held rates with a hawkish tone, signalling caution despite two Governors dissenting in favour of a cut. Inflation rose to 2.7% in June, driven by tariff-related goods price increases, ending the spring disinflation trend.

In the UK, inflation remained stubbornly high at 3.6% in June, with core and services inflation exceeding 4%. The Bank of England expressed concern, and markets now expect delayed rate cuts or even a potential hike. Wage growth stayed elevated at 6–7% YoY, driven by worker shortages and cost-of-living pressures, while unemployment edged up to around 4%.

Across Europe, US and the UK, spreads on Investment Grade corporate bonds tightened further in July 2025. In the Investment Grade markets, EUR, USD and GBP finished July at 78bps (-13bps), 79bps (-7bps) and 89bps (-7bps) respectively. Total returns for July were positive across the EUR IG (+0.50%), US IG (+0.15%) and UK IG (+0.31%). Finally, Government bonds struggled throughout the month and underperformed across Europe (-0.31%), US (-0.39%) and the UK (-0.34%).

HY markets remained strong, extending the positive momentum from June. The combination of tighter spreads and lower interest rates proved favourable for the Global HY market delivering +0.80% in July. The Global HY FRN market also saw spreads narrow which, together with carry, translated into positive returns (+0.74% in USD).

Spreads tightened c. 10-45bp, during the month to close at 286bp (US HY) and 272bp (EU HY). 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

Although July saw a relatively active primary market, overall trading volumes remained muted, with many new issues offering limited new issuance premiums. As credit spreads continued to tighten throughout the month, we took the opportunity to trim positions in selective bonds acquired during the 'Liberation Day' volatility, which had rallied to expensive levels from a credit spread basis.

Defensive assets increased over the period with the proceeds from asset sales rotated into liquid and high-quality assets. Investments were primarily in AAA rated ABS, with a focus on auto loans that were attractively priced relative to traditional corporate bonds. These purchases in the secondary market included assets such as PONY 2024 1 (A), GLDR 2024 (A), COMP 2024 FR1 (A), and ECAR 2024 1 (A).

Overall risk levels therefore decreased over the month with the Fund's spread duration falling from 2.37 to 2.35 years at the end of July.

Our primary market activity was focused on EUR/GBP denominated AAA rated ABS, reflecting a continued preference for high-quality defensive assets. The Fund invested in PLRS 2025 2 (A) (GBP), HMI 2025 2 (A1) (GBP), BECLO 12X (AR) (EUR), and BUMP 2025 NL1 (A) (EUR).

Additionally, we reduced exposure to selective bonds which had performed well over the period, including Bank of America (USD, Banking), Triodos (EUR, Banking), Medtronic (EUR, Healthcare), Organon (EUR, Healthcare), and AMS Osram (EUR, Technology and Electronics).

Relative value switches over the month included moving from shorter dated bonds issued by Santander (EUR, Banking) into slightly longer dated bonds for a pickup in yield.

Outlook

We approach the remainder of 2025 with cautious optimism. Credit markets have remained buoyant despite geopolitical volatility, and valuations are generally still tight relative to long-term averages. This environment therefore calls for a disciplined approach.

We continue to see selective opportunities in credits where market pricing has diverged from fundamentals. April's volatility created a number of such opportunities and additional ones are likely to occur again in the coming months as political and economic uncertainty persists.

Consequently, looking ahead, defensive positioning remains key, but we are prepared to re-risk where we identify issuers trading at unjustified discounts. Our increased allocation to liquid defensive assets reflects this readiness to deploy capital into volatility-driven value as opportunities present themselves.

In short, we believe the latter stages of 2025 will reward active, valuation-driven credit selection—especially in segments where fundamentals remain strong but market sentiment might overreact to negative news.

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.

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 July 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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M&G Investments

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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