M&G Global Macro Bond Fund
Sterling Class A – Accumulation shares

Fund Factsheet as at 31 March 2019

Fund description

This 'go-anywhere' fund aims to deliver income and capital growth over the long term (that is, over five years or more) by investing across a broad range of fixed income assets, including bonds issued by governments and companies in developed nations and emerging markets. It can also invest in any currency. Exposure to these assets is gained through direct holdings and the use of derivatives. The ability to invest anywhere and in any currency gives the fund the freedom to select those assets that the fund manager believes are likely to benefit from the prevailing market trends and economic conditions.

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.
Investments in bonds are affected by interest rates, inflation and credit ratings. It is possible that bond issuers will not pay interest or return the capital. All of these events can reduce the value of bonds held by the fund.
High yield bonds usually carry greater risk that the bond issuers may not be able to pay interest or return the capital.
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).

Things you should know

The fund may invest more than 35% in securities issued by any one or more of the governments listed in the fund prospectus. Such exposure may be combined with the use of derivatives in pursuit of the fund objective. It is currently envisaged that the fund's exposure to such securities may exceed 35% in the governments of Germany, Japan, UK, USA although these may vary subject only to those listed in the prospectus.
The fund allows for the extensive use of derivatives.

Asset breakdown (%)

	Physical	Net
Government bonds	42.9	42.9
Investment grade corporate bonds	30.8	30.8
High yield corporate bonds	4.4	2.3
Emerging markets	21.4	21.4
Cash	0.5	2.6

Largest issuers (%)

	Fund
US	35.7
UK	3.2
Germany	2.4
Indonesia	2.2
European Bank for Reconstruction & Development	2.0
Citigroup	1.8
Brazil	1.7
Barclays	1.7
Credit Agricole	1.6
Romania	1.5

Key information

Fund manager	Jim Leaviss
Fund manager tenure from	15 October 1999
Deputy fund manager	Claudia Calich
ISIN	GB0031616815
Launch date of fund	15 October 1999
Launch of share class	15 October 1999
Fund size (millions)	£ 935.82
Fund type	OEIC, incorporated in the UK
Comparative sector	IA Global Bonds sector
Number of issuers	116
Distribution yield	2.15%
Underlying yield	2.15%
Average credit rating	A
Modified duration (years)	4.22
Product availability	ISA, OEIC, Junior ISA
Payment dates	Mar, Jun, Sep, Dec
Ex-dividend dates	Feb, May, Aug, Nov

Charges

Entry charge	0.00%
Ongoing charge	1.42%

Risk and reward profile

Low risk — High risk

Typically lower rewards — Typically higher rewards

1	2	3	**4**	5	6	7

The above risk number is based on the rate at which the value of the fund has moved up and down in the past. It may not be a reliable indicator of the future risk profile of the fund. The risk number shown is not guaranteed and may change over time. The lowest risk number does not mean risk free.

Fund ratings

Morningstar Analyst rating — Silver

Overall Morningstar rating — ★★★★★
Defaqto Rating — 3
Financial Express Crown Rating

Fundhouse Rating — Tier 2
RSM rating — Yes

Source of Morningstar ratings: Morningstar, as at 28 February 2019
Source: Defaqto, as at 31 March 2019
Source: Financial Express
Source: Fund House
Source: RSM

Ratings should not be taken as a recommendation.

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Fund codes and charges

Share class	ISIN	Bloomberg	Currency	Launch date of fund	Ongoing charge	Distribution yield	Underlying yield	Minimum initial investment	Minimum top up investment
Sterling A Acc	GB0031616815	MGSGMBA LN	GBP	15/10/1999	1.42%	2.15%	2.15%	£500	£100
Sterling A Inc	GB0031616708	MGSGMBI LN	GBP	15/10/1999	1.42%	3.54%	2.15%	£500	£100
Sterling A-H Acc	GB00BVYJ0W14	MGGSAHA LN	GBP	07/08/2015	1.43%	2.16%	2.16%	£500	£100
Sterling A-H Inc	GB00BVYJ0X21	MGGSRAI LN	GBP	07/08/2015	1.43%	3.60%	2.16%	£500	£100
Sterling I Acc	GB00B78PGS53	MGGMIGA LN	GBP	16/12/2011	0.82%	2.74%	2.74%	£500,000	£10,000
Sterling I Inc	GB00B78PH601	MGGMIGI LN	GBP	16/12/2011	0.82%	3.54%	2.74%	£500,000	£10,000
Sterling I-H Acc	GB00BVYJ0Y38	MGGSIHA LN	GBP	07/08/2015	0.84%	2.76%	2.76%	£500,000	£10,000
Sterling I-H Inc	GB00BVYJ0Z45	MGGSIHI LN	GBP	07/08/2015	0.84%	3.58%	2.76%	£500,000	£10,000
Sterling R Acc	GB00B78PLC47	MGGMBRA LN	GBP	03/08/2012	1.17%	2.40%	2.40%	£500	£100
Sterling R Inc	GB00B45PMD45	MGGMBRI LN	GBP	03/08/2012	1.17%	3.54%	2.40%	£500	£100
Sterling R-H Acc	GB00BVYJ1063	MGGSRHA LN	GBP	07/08/2015	1.18%	2.42%	2.42%	£500	£100
Sterling R-H Inc	GB00BVYJ1170	MGGSRHI LN	GBP	07/08/2015	1.18%	3.60%	2.42%	£500	£100
Sterling X Acc	GB0031960361	MGGMBXA LN	GBP	01/10/2002	1.42%	2.15%	2.15%	£500	£100
Sterling X Inc	GB0031960254	MGGMBXI LN	GBP	01/10/2002	1.42%	3.54%	2.15%	£500	£100
Sterling X-H Acc	GB00BVYJ1287	MGGXHAC LN	GBP	07/08/2015	1.43%	2.16%	2.16%	£500	£100
Sterling X-H Inc	GB00BVYJ1394	MGGXHIN LN	GBP	07/08/2015	1.43%	3.59%	2.16%	£500	£100

The ongoing charge figures disclosed above include direct costs to the fund, such as the annual management charge (AMC), administration charge and custodian charge, but do not include portfolio transaction costs. They are based on expenses for the period ending 31 October 2018.
Any ongoing charge figure with * indicates an estimate. The fund's annual report for each financial year will include details of the exact charges.
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.

Credit rating breakdown (%)

	Physical	Net
AAA	10.1	10.1
AA	40.9	40.9
A	10.5	10.5
BBB	25.7	25.7
BB	7.9	7.9
B	4.1	4.1
CCC	0.2	0.2
CC	0.0	0.0
C	0.0	0.0
D	0.0	0.0
No rating	0.2	-1.9
Cash	0.5	2.6

Maturity breakdown (%)

	Physical
0 - 1 years	6.0
1 - 3 years	20.8
3 - 5 years	17.8
5 - 7 years	10.0
7 - 10 years	31.4
10 - 15 years	4.9
15+ years	8.6
Cash	0.5

Currency breakdown (%)

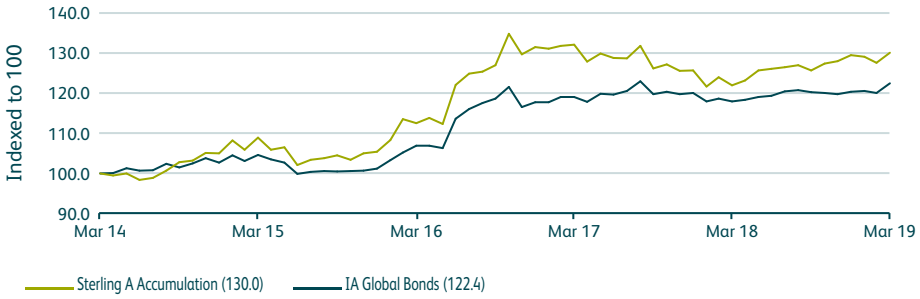
	Fund
US dollar	47.9
Euro	16.3
Japanese yen	15.3
British pound	14.5
Indonesian rupiah	2.2
South African rand	-1.9
Australian dollar	-1.8
Malaysian ringgit	1.3
Singapore dollar	1.1
Other	5.1

Single year performance (5 years)

From	01/04/18	01/04/17	01/04/16	01/04/15	01/04/14
To	31/03/19	31/03/18	31/03/17	31/03/16	31/03/15
Sterling A Accumulation	6.7%	-7.6%	17.3%	3.3%	8.9%
IA Global Bonds	3.8%	-0.9%	11.3%	2.3%	4.6%

Annual performance 2018 : 3.1%

Performance over 5 years



Past performance is not a guide to future performance.

Source: Morningstar, Inc and M&G, as at 31 March 2019. Returns are calculated on a price to price basis with income reinvested.

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Important information

Cash may be held on deposit and/or in the Northern Trust Cash Funds, a range of collective investment schemes.

Sector performance is based in the Sterling I share class. This information is not available for the Sterling A share class.

It is policy to offset certain charges against income for accumulation share classes and to offset certain charges against capital for income share classes. These charges include the annual management charge, administration fee and share class hedging fee (where applicable). As a result, yield figures for income and accumulation share classes may differ significantly.
For income share classes, the distribution yield is higher than the underlying yield only because a portion of the fund's expenses are charged to capital. This has the effect of increasing distribution(s) for the year and constraining the fund's capital performance to an equivalent extent.

The M&G Global Macro Bond Fund is a stand alone OEIC.

Sector: Morningstar category averages represent the average return of funds within their category over time. The category averages are created by using the average daily total return index series, or TRI, as well as monthly, quarterly, and annual averages of return and non-return data. Morningstar applies a fractional weighting methodology whereby, on the last day of each month, the funds are equally weighted and the share classes within each fund are equally weighted. Fractional weighting ensures that funds with multiple share classes do not dominate and skew the returns of the average, thus presenting the peer group performance in a fair and consistent manner.

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The Morningstar Overall Rating based on the fund's Sterling Class A shares. Copyright © 2019 Morningstar UK Limited. All Rights Reserved. Ratings should not be taken as recommendation.

Where a security has not been rated by Standard & Poor's, Fitch or Moody's, we may use M&G's internal credit rating. Based on a comparison of all available ratings for each security, the most conservative rating (S&P, Fitch, Moody's or M&G's internal rating) is taken into consideration. The ratings so identified are then expressed or converted into M&G's ratings format to obtain uniform information for all securities in the portfolio.

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Glossary

This glossary provides an explanation of terms used in this factsheet and in our literature.

Asset: anything having commercial or exchange value that is owned by a business, institution or individual.
Asset class: category of assets, such as cash, company shares, fixed income securities and their sub-categories, as well as tangible assets such as real estate.
Bond: a loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid.
Capital: refers to the financial assets, or resources, that a company has to fund its business operations.
Capitalisation: the total market value of all of a company's outstanding shares.
Comparative sector: a group of funds with similar investment objectives and/or types of investment, as classified by bodies such as the investment association (IA) or Morningstar™. Sector definitions are mostly based on the main assets a fund should invest in and may also have a geographic focus. Sectors can be the basis for comparing the different characteristics of similar funds, such as their performance or charging structure.
Convertible bonds: fixed income securities that can be exchanged for predetermined amounts of company shares at certain times during their life.
Corporate bonds: fixed income securities issued by a company. They are also known as bonds and can offer higher interest payments than bonds issued by governments as they are often considered more risky.
Credit: the borrowing capacity of an individual, company or government. More narrowly, the term is often used as a synonym for fixed income securities issued by companies.
Credit default swaps (CDS): are a type of derivative, namely financial instruments whose value, and price, are dependent on one or more underlying assets. CDS are insurance-like contracts that allow investors to transfer the risk of a fixed income security defaulting to another investor.
Credit rating: an independent assessment of a borrower's ability to repay its debts. A high rating indicates that the credit rating agency considers the issuer to be at low risk of default; likewise, a low rating indicates high risk of default. Standard & poor's, fitch and Moody's are the three most prominent credit rating agencies. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.
Credit spread: the difference between the yield of a corporate bond, a fixed income security issued by a company, and a government bond of the same life span. Yield refers to the income received from an investment and is expressed as a percentage of the investment's current market value.
Default: when a borrower does not maintain interest payments or repay the amount borrowed when due.
Derivatives: financial instruments whose value, and price, are dependent on one or more underlying assets. Derivatives can be used to gain exposure to, or to help protect against, expected changes in the value of the underlying investments. Derivatives may be traded on a regulated exchange or traded over the counter.
Developed economy/market: well-established economies with a high degree of industrialisation, standard of living and security.
Distribution Yield: expresses the amount that is expected to be distributed by the fund over the next 12 months as a percentage of the share price as at a certain date. It is based on the expected gross income less the ongoing charges.
Dividend: dividends represent a share in the profits of a company and are paid out to the company's shareholders at set times of the year.
Duration: a measure of the sensitivity of a fixed income security, also called a bond, or bond fund to changes in interest rates. The longer a bond or bond fund's duration, the more sensitive it is to interest rate movements.
Emerging economy or market: economies in the process of rapid growth and increasing industrialisation. Investments in emerging markets are generally considered to be riskier than those in developed markets.
Episode: a phase during which investors allow their emotions to affect their decision making, which can cause financial markets to move irrationally.
Equities: shares of ownership in a company.
Ex-Dividend, ex-distribution or XD date: the date on which declared distributions officially belong to underlying investors.
Exposure: the proportion of a fund invested in a particular share/fixed income security, sector/region, usually expressed as a percentage of the overall portfolio.
Fixed income security: a loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid. Also referred to as a bond.
Floating rate notes (FRNs): securities whose interest (income) payments are periodically adjusted depending on the change in a reference interest rate.
Gilts: fixed income securities issued by the UK government.
Government bonds: fixed income securities issued by governments, that normally pay a fixed rate of interest over a given time period, at the end of which the initial investment is repaid.
Hard currency (bonds): refers to bonds denominated in a highly traded, relatively stable international currency, rather than in the bond issuer's local currency. Bonds issued in a more stable hard currency, such as the us dollar, can be more attractive to investors where there are concerns that the local currency could lose value over time, eroding the value of bonds and their income.
Hedging: a method of reducing unnecessary or unintended risk.
High yield bonds: fixed income securities issued by companies with a low credit rating from a recognised credit rating agency. They are considered to be at higher risk of default than better quality, ie higher-rated fixed income securities but have the potential for higher rewards. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.
Historic Yield: the historic yield reflects distributions declared over the past 12 months as a percentage of the share price, as at the date shown.
Index: an index represents a particular market or a portion of it, serving as a performance indicator for that market.
Index-linked bonds: fixed income securities where both the value of the loan and the interest payments are adjusted in line with inflation over the life of the security. Also referred to as inflation-linked bonds.
Inflation: the rate of increase in the cost of living. Inflation is usually quoted as an annual percentage, comparing the average price this month with the same month a year earlier.
Investment association (IA): the UK trade body that represents fund managers. It works with investment managers, liaising with government on matters of taxation and regulation, and also aims to help investors understand the industry and the investment options available to them.
Investment grade bonds: fixed income securities issued by a company with a medium or high credit rating from a recognised credit rating agency. They are considered to be at lower risk from default than those issued by companies with lower credit ratings. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.
Issuer: an entity that sells securities, such as fixed income securities and company shares.
Leverage: when referring to a company, leverage is the level of a company's debt in relation to its assets. A company with significantly more debt than capital is considered to be leveraged. It can also refer to a fund that borrows money or uses derivatives to magnify an investment position.
Local currency (bonds): refers to bonds denominated in the currency of the issuer's country, rather than in a highly traded international currency, such as the us dollar. The value of local currency bonds tends to fluctuate more than bonds issued in a hard currency, as these currencies tend to be less stable.
Long position: refers to ownership of a security held in the expectation that the security will rise in value.
Macroeconomic: refers to the performance and behaviour of an economy at the regional or national level. Macroeconomic factors such as economic output, unemployment, inflation and investment are key indicators of economic performance. Sometimes abbreviated to 'macro'.
Maturity: the length of time until the initial investment amount of a fixed income security is due to be repaid to the holder of the security.
Modified duration: a measure of the sensitivity of a fixed income security, called a bond, or bond fund to changes in interest rates. The longer a bond or bond fund's duration, the more sensitive it is to interest rate movements.
Monetary policy: a central bank's regulation of money in circulation and interest rates.
Morningstar™: a provider of independent investment research, including performance statistics and independent fund ratings.
Near cash: deposits or investments with similar characteristics to cash.
Net: the proportion of a fund invested in, for example, different sectors. Derivatives are included. The latter are financial instruments whose value, and price, are dependent on one or more underlying assets.
Net asset value (NAV): a fund's net asset value is calculated by taking the current value of the fund's assets and subtracting its liabilities.
Open-ended investment company (OEIC): a type of managed fund, whose value is directly linked to the value of the fund's underlying investments.
Options: financial contracts that offer the right, but not the obligation, to buy or sell an asset at a given price on or before a given date in the future.
Overweight: if a fund is 'overweight' a stock, it holds a larger proportion of that stock than the comparable index or sector.
Payment date: the date on which distributions will be paid by the fund to investors, usually the last business day of the month.
Physical: the fund's exposure excluding derivatives, which are financial instruments whose value, and price, is dependent on one or more underlying securities.
Property expense ratio: property expenses are the operating expenses that relate to the management of the property assets in the portfolio. These include: insurance and rates, rent review and lease renewal costs and maintenance and repairs, but not improvements. They depend on the level of activity taking place within the fund. The property expense ratio is the ratio of property expenses to the fund's net asset value.
Retail prices index (RPI): a UK inflation index that measures the rate of change of prices for a basket of goods and services in the UK, including mortgage payments and council tax.
Securitise/securitisation: the creation and issuance of tradable securities, such as bonds, that are backed by the income generated by an illiquid asset or group of assets. By pooling a collection of illiquid assets, such as mortgages, securities backed by the mortgages' income payments can be packaged and sold to a wider range of investors.
Share class: each M&G fund has different share classes, such as a, r and i. Each has a different level of charges and minimum investment. Details on charges and minimum investments can be found in the key investor information documents.
Short position: a way for a fund manager to express his or her view that the market might fall in value.
Short-dated corporate bonds: fixed income securities issued by companies and repaid over relatively short periods.
Short-dated government bonds: fixed income securities issued by governments and repaid over relatively short periods.
Swap: a swap is a derivative contract where two parties agree to exchange separate streams of cashflows. A common type of swap is an interest rate swap to hedge against interest rate risk.
Synthetic inflation-linked bonds: refers to securities created using a combination of assets to simulate the characteristics of inflation-linked bonds. By buying inflation-linked government bonds and selling protection against companies defaulting on their debts, using credit default swaps, the combined synthetic investment will behave similarly to a physical inflation-linked bond, had one had been issued. Synthetic inflation-linked bonds are usually created where a company does not have any inflation-linked bonds in issue.
Total return: the term for the gain or loss derived from an investment over a period. Total return includes income (in the form of interest or dividend payments) and capital gains.
Unit trust: a type of managed fund, whose value is directly linked to the value of the fund's underlying investments.
Underlying Yield: refers to the income received by a managed fund, and is usually expressed annually as a percentage based on the fund's current value.
Valuation: the worth of an asset or company based on its current price.
Volatility: the degree to which a given security, fund, or index rapidly changes. It is calculated as the degree of deviation from the norm for that type of investment over a given period. The higher the volatility, the riskier the security tends to be.
Yield: this refers to either the interest received from a fixed income security or to the dividends received from a share. It is usually expressed as a percentage based on the investment's costs, its current market value or its face value. Dividends represent a share in the profits of a company and are paid out to the company's shareholders at set times of the year.

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