

M&G Episode Allocation Fund

A balanced multi-asset portfolio with the flexibility to perform



Tony Finding
Co-Fund Manager



Juan Nevado
Co-Fund Manager

Fund facts



Fund size:
£550.30
million

Launch date:

16 February 2007

Benchmark:

3-month GBP LIBOR + 5%



Ratings should not be taken as a recommendation.

Past performance is not a guide to future performance.

1. Dynamic management

- M&G Episode Allocation Fund aims to deliver income and capital growth of at least 5% a year above the three-month GBP LIBOR over any five-year period through investment in a diversified range of assets.
- The fund's dynamic asset allocation process responds to market mispricings to identify the most attractive opportunities at any time.
- Within the broad confines of the sector, the fund managers have significant flexibility to invest across asset classes, thereby largely avoiding those areas that they believe will perform poorly.

The value 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 and you may get back less than you originally invested.

2. Asset allocation is key

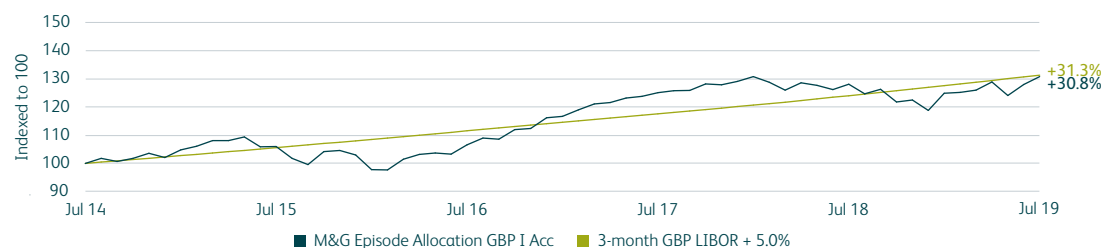
- M&G Episode Allocation Fund's dynamic asset allocation process seeks to ensure that the portfolio contains the right blend of asset classes at the right time.
- The fund managers employ a robust valuation framework in order to assess the long-term value present in a range of asset classes before investing.
- The fund managers' approach is truly global: they identify opportunities in equities, government and corporate bonds, property and cash, across all major investable markets.

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

3. Distinctive investment process

- The M&G Multi Asset team applies an innovative investment approach that combines a robust valuation framework with elements of behavioural finance.
- The managers assess the macroeconomic environment and look for instances, or 'episodes', where investor behaviour has moved assets away from what they view as the appropriate valuation levels.
- The managers seek to take advantage of these emotionally driven short-term mispricings by establishing asset positions that can benefit from asset prices moving back towards what they deem to be the long-term 'fair value'.

M&G Episode Allocation Fund performance from 31.07.14 to 31.07.19



Performance data source: Morningstar Inc. as at 31.07.19, price-to-price with income reinvested, based on Sterling Class I Acc shares.

	YTD 2019	2018	2017	2016	2015	2014	Annualised since launch
M&G Episode Allocation Fund £I	+10.1%	-8.0%	+11.1%	+12.9%	+0.8%	+7.8%	+5.7%
3-month GBP LIBOR + 5%	+3.4%	+5.7%	+5.3%	+5.6%	+5.6%	+5.6%	+6.6%

Source: Morningstar, Inc. as at 31.07.19, price-to-price with income reinvested, based on Sterling Class I Acc shares.

The fund is actively managed. The benchmark is a target which the fund seeks to achieve. The rate has been chosen as the fund's target benchmark as it is an achievable performance target given 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.

Past performance is not a guide to future performance.

Experts in multi-asset investing

- M&G Episode Allocation Fund is run by Juan Nevado and Tony Finding, fund managers of M&G's long-standing Multi Asset team. The team has been in existence since 1999, when it was formed to implement the asset allocation strategy for an overlay mandate for the Prudential life fund. The fund managers have been applying the M&G Multi Asset team's unique 'Episode' philosophy for over 15 years in a variety of market conditions.
- The fund benefits from M&G's strength and expertise across a broad range of asset classes, as well as the support of a dedicated in-house risk team.

The fund allows for the extensive use of derivatives.

Contact

 www.mandg.co.uk/contactus

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

 episodeblog.com



For financial advisers only. Not for onward distribution. No other persons should rely on any information contained within. The fund's Sterling Class I shares launched on 03.08.11. Performance data shown prior to this date is that of the fund's Sterling Class A shares. Ratings as at 31.07.19. The Morningstar Overall Rating based on the fund's Sterling Class I Accumulation shares. Copyright © 2019 Morningstar UK Limited. All Rights Reserved. This Financial Promotion is issued by M&G Securities Limited which is authorised and regulated by the Financial Conduct Authority in the UK and provides ISAs and other investment products. The company's registered office is 10 Fenchurch Avenue, London, EC3M 5AG. Registered in England and Wales. Registered Number 90776. **AUG 19 / W382006**