M&G Credit Income Investment Trust

M&G Investments

Quarterly review as at 31 December 2024

Company description

The Company aims to generate a regular and attractive level of income with low asset value volatility by investing in a diversified portfolio of public and private debt and debt-like instruments ('Debt Instruments'), of which at least 70% will be investment grade. Over the longer term, it is expected that the Company will be mainly invested in private Debt Instruments, which are those instruments not traded on a stock exchange. The Company currently proposes quarterly dividends at an annual rate of SONIA +4% on NAV per calendar year with a variable, fourth interim dividend to be determined after each year end, which will take into account the net income over the whole financial year and, if appropriate, any capital gains. The Company targets SONIA plus 4% over the longer term.

The Company has the ability to borrow up to 30% of net asset value although it is expected that it will primarily be managed without borrowing and typically any borrowings will not exceed 20% of net asset value. Any borrowings may magnify any gains or losses made by the Company.

Risks associated with the company

The value of investments will fluctuate, which will cause share prices to fall as well as rise and you may not get back the original amount you invested. There is no guarantee that the Company's Investment Objective will be achieved.

The Company may be exposed to the possibility that a debtor will not meet its repayment obligations.

Changes in interest rates may adversely affect the market value of some of the Company's investments.

Debt Instruments may be repaid by issuers at short notice: as a result it may be difficult for the Company to reinvest capital at an attractive price or at all, which may affect it adversely.

A variety of factors, such as market conditions, liquidity concerns or Company performance may lead to a reduction in trading volume or shares trading at a discount to their net asset value. Shareholders may also be unable to realise their investment at quoted market prices or at all.

Please note that this is not an exhaustive list. Please refer to the Risk section in the Prospectus.

Dividend schedule

Period	Amount GBP
2019	3.74
2020	4.28
2021	4.04
2022	5.35
2023	7.96
2024	8.53

Key information

Portfolio manager	Adam English
Portfolio manager tenure from	14 November 2018
Deputy portfolio managers	Robert Whitten and Yiu-Wai Cheung
Launch date	14 November 2018
ISIN number	GB00BFYYL325
TIDM code	MGCI
Market capitalisation	£142.19m
Number of holdings	127
Dividend dates	Quarterly: Feb, May, Aug and Nov
Yield to maturity	7.90%
Modified duration	0.90
Spread duration	2.91
Weighted Average Life	2.92
Gearing	0.00%

Please see the glossary for an explanation of terms used.

Charges

Annual management charge	0.70%
Ongoing Charges Figure (OCF)	1.29%

Portfolio overview (%)

	Fund
Cash on deposit	0.97
Public	**46.54**
Asset backed securities	16.10
Bonds	14.49
Funds	15.94
Equity	0.00
Private	**52.39**
Asset backed securities	4.57
Bonds	2.07
Funds	11.40
Loans	23.07
Private placements	1.25
Other	10.03
Derivatives	**0.09**
Debt derivatives	0.06
Forwards	0.04

Due to rounding, percentage figures displayed in the Factsheet may not add up to exactly 100%.

Market review

In the final quarter of 2024, major central banks maintained their path of monetary policy easing, despite modest inflationary upticks. In the US, headline inflation edged up to 2.7% in the 12 months to November, a slight increase from 2.6% a month earlier. The UK's 12-month headline inflation rate climbed to an 8-month high of 2.6% in November, up from 2.3% in October. The eurozone also reported a rise in inflation in November: prices rose 2.3% year-on-year, up from 2% in October. During the period, the Federal Reserve (Fed) reduced its key interest rate by 25 basis points (bps) twice, taking it to a range of 4.25% to 4.5%. The decisions were driven by indications of moderating inflation and a weakening labour market. The European Central Bank (ECB) implemented two 25bps cuts, lowering the deposit rate to 3%, while the Bank of England (BoE) reduced interest rates from 5% to 4.75% in November.

Aside from the toing and froing of interest rate expectations, the main market narrative during the quarter centered around UK and US politics, in particular the implications of confirmed and prospective fiscal policies on future debt issuance and sustainability. In the more immediate term, investor concern focused on what these policies could mean for the path of monetary policy. A ‘tax and spend’ budget by the new Labour government sparked concerns over growth and inflation and put pressure on UK gilts yields. In the US, the presidential election on the 5th of November resulted in a victory for Donald Trump. In addition, the Republican party took control of the House of Representatives and the Senate, allowing the president-elect greater scope to enact policy plans. This left financial markets digesting the implications for US foreign and economic policy, with Trump announcing plans to impose tariffs on Europe, China, Mexico and Canada. Taking a backseat somewhat to events across the Atlantic, continuing political turmoil in France and Germany eventually led to the collapse of their respective governments as we approached the year end.

Manager commentary

In the fourth quarter, the Company’s performance was hindered by two idiosyncratic and unrelated instances of credit distress involving separate private issuers. This led to a mark down equivalent to 1% of NAV, which resulted in a quarterly NAV return of 1.70% compared to 2.24% returned by the benchmark. Despite this, the portfolio performed in line with the ICE BofA European Currency Non-Financial High Yield 2% Constrained Index (+1.72%), whilst outperforming comparable investment grade fixed income indices such as ICE BofA Sterling Corporate and Collateralised Index (-0.36%), and the ICE BofA 1-3 Year BBB Sterling Corporate Index (+1.01%).

Despite the political volatility, credit markets remained relatively stable. In the UK, in spite of the inflationary implications of the Autumn budget, investment grade sterling credit performed strongly, with spreads ending the period at almost 3-year lows. This continues to be a technically driven grind tighter, with the appetite for fixed income showing no sign of abating as investors look to lock in attractive all-in yields. In the portfolio, credit spreads of Tier 1 and 2 financials continued to compress on the back of strong appetite for risk, with higher beta, sterling investment grade bonds that had slightly lagged the year’s rally, outperforming. Our remaining exposure to Scandinavian and European REITS continued to rally on the back of the loosening financial conditions/ lower rates narrative, and we took the opportunity to lock in healthy gains by selling CPI Property whilst also exiting our Heimstaden position. We also sold down two bonds on credit concerns as we looked to further de-risk the portfolio: With continuing turmoil and uncertainty in the water sector, the picture developing at Southern Water had begun to look rather bleak, displaying similarities to the unravelling at Thames, and we saw little reason to retain what was a relatively small position for us. In addition, our Credit Agricole AT1 bond was trading inside our yield target and had tightened a decent amount since being purchased at new issue. Given the aforementioned weakening in French risk, pressure on the sovereign rating and notable political instability, we decided to sell down our holding and lock in a capital gain. We received repayments from our positions in ANCHE 8X, MARGAY 1X (both CLOs) and RIN 2019-1A (one of our illiquid ABS holdings), redeploying funds into high grade ABS collective vehicles whilst we wait to invest in higher yielding private opportunities.

In the private market, we committed a combined £3.3m in three new assets. These were the senior tranche in a securitisation backed by microfinance loans with inherent support from development banks and supranational agencies (£1.75m), the mezzanine tranche in an SRT transaction backed by a diversified portfolio of UK SME loans (£0.75m), and a Direct Lending transaction participating in a term loan to the leading laundry service provider in Germany (£0.8m).

Sector breakdown (%)

	Trust
Funds	27.35
ABS (Assorted)	14.23
Real Estate Dev and Mgt	12.78
Banking	8.26
Non-agency CMBS	6.39
Mortgage backed	4.37
Cons/Comm/Lease financing	2.56
Life-Insurance	2.42
Investments and misc financial services	1.88
Telecom - wireless	1.74
Electric - generation	1.54
Diversified capital goods	1.38
Food - wholesale	1.24
Transport Infrastructure/Services	1.03
REITs	1.03
Media content	1.00
Cash on deposit	0.97
Restaurants	0.93
ABS Credit Cards	0.88
Specialty retail	0.78
Multi - Line insurance	0.78
Pharmaceuticals	0.77
Health services	0.73
Integrated energy	0.72
Machinery	0.71
ABS Automobiles	0.69
Support - Services	0.59
Gaming	0.54
Trucking and delivery	0.51
Tech hardware and equipment	0.33
Electronics	0.32
ABS utilities	0.20
ABS Airline leases	0.16
Electric - integrated	0.09
Debt derivatives	0.06
Forwards	0.04
Equity	0.00

Source: All data contained within the Factsheet is sourced from the Company administrator, State Street as at 31 December 2024.

Outlook

At a macro level, the re-election of Donald Trump has created an elevated level of uncertainty for the global economic outlook. Whilst it could be argued that a straight line assumption between trade tariffs and higher inflation is too linear, a more definitive assertion is that their implementation will certainly make the mandate for central banks to return inflation to target more complicated. The expected result is for a more cautious approach to cutting interest rates than had been previously assumed by investors, particularly in the case of the Fed. Financial market theory would tell you that an increase in economic uncertainty leads to investors taking more risk-off the table, but there has been little evidence of this in credit markets, as attractive all-in yields have continued to drive demand which is significantly outstripping corporate issuance. This has led to the level of compensation on offer for taking credit default risk, in our opinion, being at odds with the outlook for the UK economy, which faces headwinds including higher business taxation, Trump 2.0 tariffs, and the prospect of reaccelerating inflation and higher for longer interest rates. This hugely uncertain economic outlook warrants a cautious, patient and disciplined approach to investing and favours active management. In such times, our ability to invest across the breadth of both public and private fixed income markets distinguishes the Company in being able to seek out attractive risk-adjusted returns for our investors. With the public corporate bond market offering scant risk-adjusted value relative to our return target, our focus in the early part of 2025 will be to sell down tighter yielding public credits and redeploy proceeds into higher yielding private investments. We begin 2025 with a healthy and diverse pipeline of private investment opportunities which we hope to add to the portfolio in the coming months.

Credit rating breakdown (%)

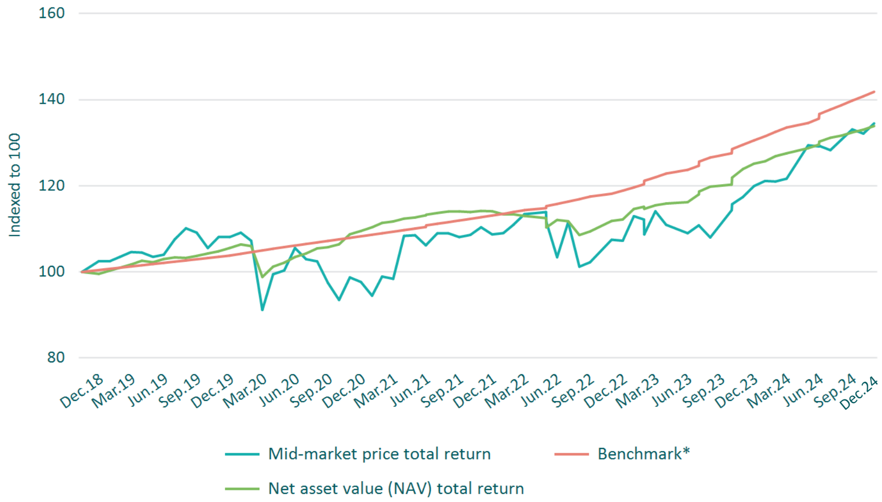
	Trust
Unrated	**0.09**
Equities	0.00
Derivatives	0.09
Cash and Investment grade	**76.38**
Cash on Deposit	0.97
AAA	7.45
AA	11.16
AA-	0.60
A+	1.21
A	3.27
A-	2.78
BBB+	10.98
BBB	13.95
BBB-	15.12
M&G European Loan Fund*	8.89
Non-investment grade	**23.52**
BB+	2.73
BB	5.32
BB-	2.26
B+	2.17
B	6.65
B-	0.83
CC	0.32
D	0.74
M&G European Loan Fund*	2.51

*See glossary

Share price vs NAV

As at	NAV p/s (cum income)	Share price
31 December 2024	95.11	96.60

Total return



NAV total return (%, p.a.)**	1 month	3 months	6 months	YTD	1 year	2 years	3 years	5 years	Since Inception***
M&G Credit Income Investment Trust	0.65%	1.70%	3.33%	8.08%	8.08%	9.24%	5.45%	4.87%	4.88%
Benchmark*	0.74%	2.24%	4.59%	9.50%	9.50%	9.22%	7.96%	6.44%	5.87%

Calendar year NAV total return (%, p.a.)**	2023	2022	2021	2020	2019
M&G Credit Income Investment Trust	10.42%	-1.74%	4.25%	3.75%	6.04%
Benchmark*	8.96%	5.47%	4.09%	4.32%	3.34%

Source: Morningstar Inc, State Street and M&G, as at 31 December 2024. Returns stated in GBP terms.

*3 Month Libor +2.5% from inception to 31/12/2019, 3 Month Libor +4% from 1st January 2020 to December 2021, thereafter SONIA +4%.

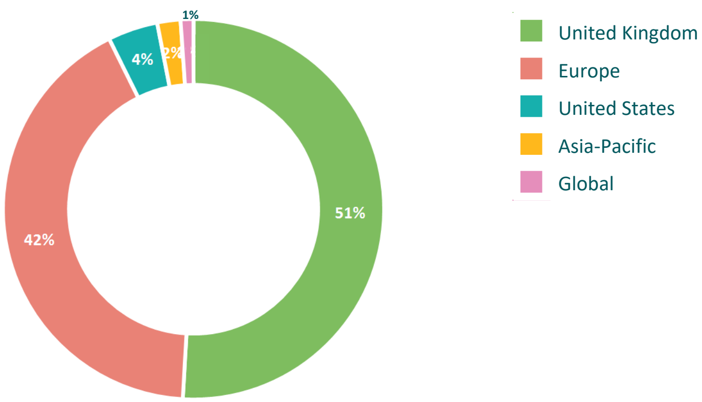
**The total return calculation assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend.

***Trust inception 14 November 2018.

The portfolio is actively managed. The Portfolio Manager has complete freedom in choosing which investments to buy, hold and sell in the fund.

Past performance is not a guide to future performance.

Geographical split %



Source: M&G and State Street as at 31 December 2024.

Top 20 holdings (%)

	Trust
M&G European Loan Fund (Prvt)	11.40
M&G Senior Asset Backed Credit Fund	8.50
M&G Investment Grade ABS Fund	7.45
ICSL 2 B RegS	2.00
Delamare Finance 1.3066% 19 Feb 2029	1.77
Project Energy from Waste UK (Prvt)	1.54
BSAM 1 1 RegS	1.43
Project Hammond (Prvt)	1.39
Aria EUR Term Loan A (Prvt)	1.38
Signet GBP Stretch Term Loan (Prvt)	1.26
ICSL 1 B RegS	1.22
ATLAS 2020 1 Trust AUD Note A2 (Prvt)	1.19
CBNA T12 Mezz (Prvt)	1.16
STCHB 7 A (Prvt)	1.15
Regenter Myatt Field North GBP Term Loan (Prvt)	1.12
Whistler Finco 30 Nov 2028 (Prvt)	1.10
Project Grey Senior Term Loan (Prvt)	1.04
Newriver REIT Plc 3.5% 03/07/28 Corp	1.03
Finance for Residential Social Housing 8.569% 04 Oct 2058	1.02
FONTW 2020-1 A (Prvt)	1.01

(Prvt) – Private Investment

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 Backed Security (ABS)
A security whose income payments and value are derived from and collateralised by a specified pool of underlying assets.

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.

Basis points (bps
A common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument.

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.

CLO (Collateralised loan obligation
Actively managed investment vehicle which issues rated tranches of debt from AAA-B and an unrated equity tranche. Underlying assets are predominantly made up of leveraged loans and high yield bonds.

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.

Consumer Prices Index (CPI
An index used to measure inflation, which is the rate of change in prices for a basket of goods and services. The contents of the basket are meant to be representative of products and services we typically spend our money on.

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 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, and a bond is a fixed income security.

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.

Dividend
Dividends represent a share in the profits of the company and are paid out to a company's shareholders at set times of the year.

ECB (European Central Bank
Central bank of the 19 European Union countries which have adopted the euro.

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.

Floating rate notes (FRNs)
Securities whose interest (income) payments are periodically adjusted depending on the change in a reference interest rate.

Gearing
Is a measure of financial leverage that demonstrates the degree to which the Investment Trust's operations are funded by equity capital versus creditor financing.

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 security's life.

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.

Investment trust
An investment trust is a form of collective investment found mostly in the United Kingdom. Investment trusts are closed-end funds and are constituted as public limited companies.

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.

LIBOR
The three-month GBP London Interbank Borrowing Rate is the rate at which banks borrow money from each other (in UK pounds) for a three-month period.

Liquidity
A company is considered highly liquid if it has plenty of cash at its disposal. A company's shares are considered highly liquid if they can be easily bought or sold since large amounts are regularly traded.

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.

M&G European Loan Fund (”ELF”
An open-ended fund managed by M&G that invests in leveraged loans issued by, generally, substantial private companies located in the UK and Continental Europe. ELF is not rated and the Investment Manager has determined an implied rating for this investment, utilising rating methodologies typically attributable to collateralised loan obligations. On this basis, 78% of the Company's investment in ELF has been ascribed as being investment grade, and 22% has been ascribed as being sub-investment grade. These percentages have been utilised on a consistent basis for the purposes of determination of the Company's adherence to its obligation to hold no more than 30% of its assets in below investment grade securities.

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, also called a bond, or bond fund to changes in interest rates. The higher a bond or bond fund's modified 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.

NAV Total Return
A measure showing how the net asset value (NAV) per share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders.
NAV total return is expressed as a percentage change from the start of the period. It assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend.
NAV total return shows performance which is not affected by movements in share price discounts and premiums. It also takes into account the fact that different investment companies pay out different levels of dividends.

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.

Non-Executive Director (NED
A non-executive director is a member of a company's board of directors who is not part of the executive team. A non-executive director typically does not engage in the day-to-day management of the organisation, but is involved in policymaking and planning exercises.

Ongoing Charges Figure (OCF
Ongoing charges figure (as a percentage of shareholders' funds) is an annualised rate calculated using average net assets over the period in accordance with the AIC's recommended methodology.

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.

Private
Refers to assets that are not listed or traded on a recognised exchange.

Public
Refers to assets that are listed on and can be traded on a recognised exchange.

REIT (Real Estate Investment Trust)
A REIT is a company that owns, operates or finances income-producing real estate.

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 price total return
Total return to shareholders, assuming all dividends received were reinvested at the mid-market price without transaction costs into the shares of the Company at the time the shares were quoted ex-dividend.

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.

SONIA (Sterling overnight index average)
Aninterest rate index administered by the Bank of England and based on actual transactions. It reflects the average interest rate that banks pay to borrow sterling overnight from other banks and institutional investors.

Spread duration
A measure of the portfolio's sensitivity to changes in credit spreads. The higher a bond or bond fund's spread duration, the more sensitive it is to changes in credit spreads.

Sub-investment grade bonds
Fixed income securities issued by a company with a low rating from a recognised credit rating agency. They are considered to be at higher risk from default than those issued by companies with higher 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.

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 particular period. Total return includes income (in the form of interest or dividend payments) and capital gains.

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 time period. The higher the volatility, the riskier the security tends to be.

Weighted Average Life (WAL)
The asset-weighted average number of years to final maturity of the portfolio, based on the final maturity for all assets/exposures.

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.

Yield to maturity
The total return anticipated on the portfolio if the underlying bonds are held until maturity.

Contacts

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M&G Investments