



# Floating rate notes: A global perspective from M&G Investments London

## Introduction

One type of asset that can help protect portfolios in a rising inflation and interest rate environment is a floating rate note (FRN) – a type of bond where the income it delivers is linked to interest rates, so that if interest rates rise, the income it pays out also rises. High-yield FRNs, meanwhile, come with greater risk to investors because the issuer has a lower credit rating. Therefore the potential income is higher than an investment-grade FRN.

M&G Global Funds, including the M&G Global Balanced and Inflation Plus Funds, can invest in these instruments, and fund manager Marc Beckenstrater and the London-based asset management team have a wide range of both investment-grade and high-yield FRNs to choose from. Read two recently published articles from the London team on the efficacy of these securities.

- 1) A guide to high yield floating rate notes:  
**Seeking protection against rising interest rates and inflation**  
By M&G Investments Public Fixed Income team, London

[Read more](#) 

- 2) Staying afloat: How FRNs can offer an escape route from rising inflation  
By Ana Gil, Bond Vigilantes blog (M&G bond team)

[Read more](#) 

---