

M&G Better Health Solutions Fund Sterling Class I – Accumulation shares

Monthly Fund Review as at 29 February 2024

For investment professionals only

Fund description

The fund aims to provide combined capital growth and income that is higher than that of MSCI World Index, net of the Ongoing Charges Figure, over any five-year period and invest in companies that deliver solutions to the challenge of better health and well-being. At least 80% of the fund is invested in the shares of companies across any sectors and of any size that are based, or do most of their business in, developed markets. The fund usually holds shares in fewer than 40 companies. The fund invests over the long term in companies delivering solutions to the better health and well-being challenge alongside a financial return. ESG and impact considerations are fundamental to stock selection. The fund uses the UN Sustainable Development Goals framework, investing in companies focused on areas including health and well-being; zero hunger; clean water and sanitation; among others. While we support the UN SDGs, we are not associated with the UN and our funds are not endorsed by them.

The main 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.

The fund holds a small number of investments, and therefore a fall in the value of a single investment may have a greater impact than if it held a larger number of investments.

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

Investing in emerging markets involves a greater risk of loss due to greater political, tax, economic, foreign exchange, liquidity and regulatory risks, among other factors. There may be difficulties in buying, selling, safekeeping or valuing investments in such countries.

In exceptional circumstances where assets cannot be fairly valued, or have to be sold at a large discount to raise cash, we may temporarily suspend the fund in the best interest of all investors.

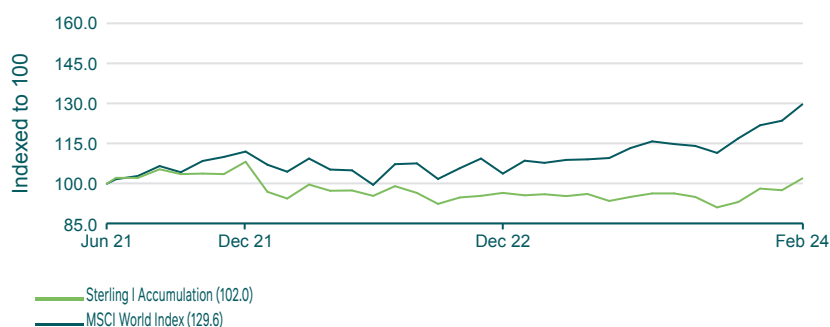
The fund could lose money if a counterparty with which it does business becomes unwilling or unable to repay money owed to the fund.

Further risk factors that apply to the fund can be found in the fund's Prospectus.

Single year performance (5 years)

	2023	2022	2021	2020	2019
■ Sterling I Accumulation	1.6%	-10.7%	-	-	-
■ MSCI World Index	17.4%	-7.4%	-	-	-
■ Sector	12.7%	-11.3%	-	-	-

Performance since launch



Fund performance

	1 month	3 months	YTD	1 year	3 years p.a.	5 years p.a.
■ Sterling I Accumulation	4.5%	9.4%	3.9%	6.1%	-	-
■ MSCI World Index	5.0%	10.9%	6.4%	20.2%	-	-
■ Sector	4.1%	9.9%	4.5%	12.9%	-	-

Past performance is not a guide to future performance.

Source: Morningstar, Inc and M&G, as at 29 February 2024. Returns are calculated on a price to price basis with income reinvested. Benchmark returns stated in GBP terms.

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Key information

Fund manager(s)	Jasveet Brar
Fund manager tenure from	17 June 2021
Deputy fund manager(s)	John William Olsen
ISIN	GB00BKVD2P62
Launch date of fund	17 June 2021
Launch of share class	17 June 2021
Fund size (millions)	£ 14.61
Benchmark(s)	MSCI World Gross TR Index
Benchmark type	Target
Sector	IA Global sector
Number of companies	34
Historic yield	0.72%
Portfolio turnover over 12 months	8.27%
VaR	8.65%
Payment dates	May
Ex-dividend dates	Apr

Charges

Maximum entry charge	0.00%
Ongoing charge	0.70%

Impact area breakdown (%)

	Fund
Better Health	49.4
Better Hygiene and Safety	24.2
Better Lifestyle	24.1
Cash	2.2

Risk characteristics

As at 29/02/2024	Fund
Forecast tracking error (active risk, %)	7.79
Active share (%)	96.95

Things you should know

The fund invests mainly in company shares and is therefore likely to experience larger price fluctuations than funds that invest in bonds and/or cash.

Fund ratings as at 29 February 2024

Morningstar Medalist Rating™	Analyst-Driven %
Bronze	10
	Data Coverage %
	77

Ratings should not be taken as a recommendation.

Sustainable Development Goal breakdown (%)

	Fund
SDG3: Good Health and Well-being	86.3
SDG8: Decent Work and Economic Growth	11.5
Cash	2.2

Largest holdings (%)

	Fund
Novo Nordisk	8.7
Thermo Fisher Scientific	5.7
Unitedhealth Group	4.8
Astrazeneca	4.4
Autoliv	4.3
Colgate-Palmolive	4.3
Becton Dickinson	4.3
Glaxosmithkline	4.1
Ecolab	4.1
Quest Diagnostics Incorporated	4.0

Company type breakdown (%)

	Fund
Leader	46.6
Enabler	41.2
Pioneer	10.0
Cash	2.2

Industry breakdown (%)

	Fund	Index	Relative weight
Health care	66.8	12.1	54.7
Consumer discretionary	8.0	11.0	-3.0
Consumer staples	7.6	6.5	1.1
Materials	6.0	3.8	2.3
Industrials	6.0	11.2	-5.2
Financials	3.4	15.1	-11.7
Information technology	0.0	24.0	-24.0
Communication services	0.0	7.4	-7.4
Energy	0.0	4.2	-4.2
Utilities	0.0	2.4	-2.4
Real Estate	0.0	2.3	-2.3
Other	0.0	0.1	-0.1
Cash	2.2	0.0	2.2

Geographical breakdown (%)

	Fund	Index	Relative weight
US	54.9	72.5	-17.6
Europe	39.5	14.9	24.6
Developed Asia	2.8	8.6	-5.8
Emerging markets	0.5	0.7	-0.1
Other	0.0	3.4	-3.4
Cash	2.2	0.0	2.2

Capitalisation breakdown (%)

	Fund	Index	Relative weight
Mega cap (> \$50bn)	45.1	71.6	-26.5
Large cap (\$10 - \$50bn)	27.4	25.4	2.1
Mid cap (\$2 - \$10bn)	18.4	3.0	15.4
Small cap (< \$2bn)	6.9	0.0	6.9
Cash	2.2	0.0	2.2

Largest overweights (%)

	Fund	Index	Relative weight
Novo Nordisk	8.7	0.6	8.1
Thermo Fisher Scientific	5.7	0.4	5.3
Autoliv	4.3	0.0	4.3
Colgate-Palmolive	4.3	0.1	4.2
Becton Dickinson	4.3	0.1	4.2
Astrazeneca	4.4	0.3	4.1
Unitedhealth Group	4.8	0.7	4.0
Ecolab	4.1	0.1	4.0
Quest Diagnostics Incorporated	4.0	0.0	4.0
Glaxosmithkline	4.1	0.1	4.0

Largest underweights (%)

	Fund	Index	Relative weight
Microsoft	0.0	4.6	-4.6
Apple	0.0	4.2	-4.2
Nvidia Corporation	0.0	3.1	-3.1
Amazon	0.0	2.6	-2.6
Alphabet	0.0	2.4	-2.4
Facebook	0.0	1.7	-1.7
ELI Lilly and Company	0.0	1.0	-1.0
Broadcom	0.0	0.9	-0.9
Tesla	0.0	0.9	-0.9
JP Morgan	0.0	0.9	-0.9

Currency breakdown (%)

	Fund	Index	Relative weight
US dollar	53.2	71.1	-17.9
British pound	17.3	3.8	13.6
Danish krone	11.4	0.9	10.5
Euro	9.7	8.7	1.0
Swiss franc	3.9	2.5	1.4
Japanese yen	2.8	6.2	-3.3
Swedish krona	1.0	0.8	0.2
Hong Kong dollar	0.5	0.5	0.0
Canadian dollar	0.0	3.0	-3.0
Other	0.0	2.5	-2.5

Fund codes and charges

Share class	ISIN	Bloomberg	Currency	Share class launch date	Ongoing charge	Historic yield	Minimum initial investment	Minimum top up investment
GBP A Acc	GB00BKVD2G71	MGBHSSA LN	GBP	17/06/2021	1.10%	0.36%	£500	£100
GBP A Inc	GB00BL6K9J22	MGBHSAI LN	GBP	17/06/2021	1.10%	1.37%	£500	£100
GBP I Acc	GB00BKVD2P62	MGBHSSI LN	GBP	17/06/2021	0.70%	0.72%	£500,000	£10,000
GBP I Inc	GB00BL6K9M50	MGBHSII LN	GBP	17/06/2021	0.70%	1.36%	£500,000	£10,000
GBP R Acc	GB00BKVD2Q79	MGBHSRA LN	GBP	17/06/2021	0.95%	0.49%	£500	£100
GBP R Inc	GB00BL6K9P81	MGBHSRI LN	GBP	17/06/2021	0.95%	1.37%	£500	£100

Any ongoing charge figure with * indicates an estimate. The ongoing charge figure may vary from year to year and excludes portfolio transaction costs. The charges are mostly, if not exclusively, the Annual Charge which may be discounted depending on the size of the fund. For further details, please see the fund's Key Investor Information Document (KIID). The fund's annual report for each financial year will include details on the exact charges made. 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 note that not all of the share classes listed above might be available in your country. Please see the Important Information for Investors document and the relevant fund's Prospectus for more information on the risks associated with this fund and which share classes are available for which product and which investor type.

Approach to responsible investment

	Yes	No	N/A
ESG integration	✓		
Additional ESG specifications	✓		
Exclusions	✓		
Cluster munitions & anti personnel landmines	✓		
Other exclusions or restrictions	✓		
Voting	✓		
Engagement	✓		

Please see glossary for further explanation of these terms.

Climate Metrics

	Weighted Average Carbon Intensity	Coverage by portfolio weight (%)
Sterling I Accumulation	22.71	98.87%
Benchmark	95.33	98.61%

Source: MSCI

ESG Standard Glossary

Additional ESG specifications: In the context of M&G, these are funds managed with an explicit ESG objective, outcome or in accordance with specific ESG criteria, and will have a number of minimum exclusions in place.

Engagement: Interaction with company management on various financial and non-financial, including ESG, issues. Engagement allows investors to better understand how a company is undertaking its operations and how it is interacting with its stakeholders, as well as advising on and influencing company behaviour and disclosures where appropriate.

ESG integration: Describes the explicit and systematic inclusion of Environmental, Social and Governance factors in investment analysis and investment decisions. It underpins a responsible investment approach, and allows investors to better manage risk and generate sustainable, long-term returns.

Exclusions: The exclusion or restriction of investments based on the sector in which they operate, the products or services they provide or for other specific criteria, i.e. they are deemed to be in breach of the United Nations Global Compact principles on human rights, labour the environment and anti-corruption.

Voting: As the partial owners of a company, shareholders have the right to vote on resolutions put forward at a company's annual general meeting. These resolutions include the re-election of directors, executive remuneration and business strategy, among others, and may include resolutions put forward by shareholders.

Explanation of our climate metrics

The Weighted Average Carbon Intensity (WACI) is the metric used to report our funds' carbon emissions. It is a measure of how much CO2 is being emitted per US\$ million of sales by each company that the fund invests in. This can be used to determine the likely effect a company is having on the environment. It can also help to compare the impact different companies have on the environment, and to compare companies against the broad market or the financial benchmark for the fund. However, this metric does not take into account the difference in carbon characteristics among sectors.

The WACI metric is one of many greenhouse gas emissions data points, each offering a different aspect of analysis on climate impact. M&G have selected this metric as it is applicable to multi-asset, equity and fixed income funds and it is aligned to the recommendations from the Taskforce for Climate Related Financial Disclosures (TCFD). It has also been chosen to align with M&G's groupwide target of transparency when it comes to the disclosure of climate emissions.

At M&G we currently use MSCI as our main third-party data provider for carbon intensity data as we consider its coverage to be the broadest of the current providers. As with any mass data collection, there are methodology limitations; this also applies to MSCI. We make every effort to check its data and are currently building our own tools which will use a variety of data sources to gather and map the carbon emissions of our funds.

For the avoidance of doubt, this fund is not managed to a carbon emission objective and, the benchmark WACI (should funds have a benchmark) has been included for information purposes only.

Important information

With effect from November 2023, we are reporting using our internal accounting book of record (ABOR) moving away from the investment book of record (IBOR) used for reporting up to October 2023.

The M&G Better Health Solutions Fund is a sub-fund of M&G Investment Funds (10).

Company type breakdown (%)

- Pioneers: companies whose products or services have a transformational effect on society or the environment
- Enablers: companies which provide tools for others to deliver positive social or environmental impact
- Leaders: companies which spearhead and mainstream impact in their industry

The 17 United Nations Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Holdings in the fund are assigned a primary SDG most closely aligned with a company's intended impact, although they may also touch on other SDGs in the course of their operations.

The fund embraces the United Nations Sustainable Development Goals (SDG) framework and invests in companies focused on six key areas, mapped against the SDGs. On the environmental side, these are: climate action; environmental solutions; and circular economy. On the social side, these are: improving health, saving lives; better working conditions; and social inclusion.

The value of investments will fluctuate, which will cause fund prices to fall as well as rise and investors may not get back the original amount invested. **For financial advisers only. Not for onward distribution. No other persons should rely on any information contained within.**

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Contact M&G

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