

# M&G Global Government Bond Fund Sterling Class I – Accumulation shares

Monthly Fund Review as at 31 March 2024

For investment professionals only

## Fund description

The fund aims to provide a combination of capital growth and income, net of the Ongoing Charge Figure, higher than the average return of the Bloomberg Global Treasury Index Unhedged USD over any five-year period. At least 70% of the fund is invested in investment grade government bonds from anywhere in the world, including emerging markets. It can also invest in high yield bonds. Investments are selected based on in-depth analysis of individual bond issuers, combined with an assessment of global, regional, and country-specific macroeconomic factors.

## 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.

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.

The fund may use derivatives to profit from an expected rise or fall in the value of an asset. Should the asset's value vary in an unexpected way, the fund will incur a loss. The fund's use of derivatives may be extensive and exceed the value of its assets (leverage). This has the effect of magnifying the size of losses and gains, resulting in greater fluctuations in the value of the fund.

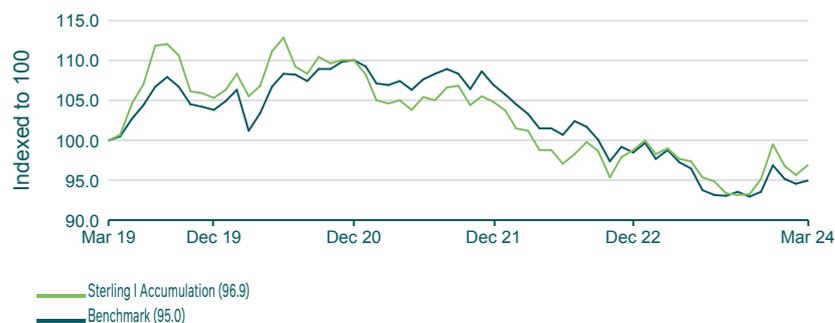
The fund can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.

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

## Single year performance (5 years)

	2023	2022	2021	2020	2019
■ Sterling I Accumulation	0.8%	-5.7%	-4.8%	4.5%	5.4%
■ Benchmark	-1.7%	-7.8%	-2.8%	5.9%	5.6%
■ Sector	1.3%	-7.8%	-5.3%	5.6%	3.4%

## Performance over 5 years



## Fund performance

	1 month	3 months	YTD	1 year	3 years p.a.	5 years p.a.
■ Sterling I Accumulation	1.3%	-2.6%	-2.6%	-2.1%	-2.5%	-0.6%
■ Benchmark	0.4%	-2.0%	-2.0%	-3.9%	-3.9%	-1.0%
■ Sector	0.7%	-1.7%	-1.7%	-1.4%	-2.8%	-1.1%

Past performance is not a guide to future performance.

**Benchmark:** Prior to 19 April 2021 the benchmark was the IA Global Bond Sector average. From 19 April 2021 to 5th March 2023 it was the IA Global Government Bond Sector average. Thereafter it is Bloomberg Global Treasury Index Unhedged USD.

The benchmark is a target which the fund seeks to outperform. The sector has been chosen as the fund's benchmark as the fund is a constituent of the sector. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction. The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund.

Source: Morningstar, Inc and M&G, as at 31 March 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)	Eva Sun-Wai, Jim Leaviss
Fund manager tenure from	31 December 2020
ISIN	GB00B7Q0Q826
Launch date of fund	04 October 1999
Launch of share class	03 August 2012
Fund size (millions)	£ 80.32
Benchmark(s)	Bloomberg Global Treasury Index Unhedged USD
Benchmark type	Target
Sector	IA Global Government Bond sector
Number of issuers	47
Distribution yield	3.80%
Underlying yield	3.80%
Modified duration (years)	8.12
VaR	6.45%
Average coupon	3.25
Spread duration (years)	2.0
Payment dates	Feb, Aug
Ex-dividend dates	Jan, Jul

## Charges

Maximum entry charge	0.00%
Ongoing charge	0.50%

## 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.

## Fund ratings as at 31 March 2024

Morningstar Medalist Rating™	Analyst-Driven %
	10
	Data Coverage %
	94

Overall Morningstar rating  
Financial Express Crown Rating



Rayner Spencer Mills (RSM) Rating  
Source of Morningstar ratings: Morningstar  
Source: Financial Express  
Source: RSMR Group

★★★★

Yes

Ratings should not be taken as a recommendation.

## Asset breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
<b>Government bonds</b>	<b>92.7</b>	<b>0.0</b>	<b>0.0</b>	<b>92.7</b>
Investment grade corporate bonds	2.3	-7.9	0.0	-5.6
Fixed rate	2.2	0.0	0.0	2.2
Floating rate	0.0	0.0	0.0	0.0
Index linked	0.0	0.0	0.0	0.0
Credit Default Swaps & Indices	0.1	-7.9	0.0	-7.8
<b>High yield corporate bonds</b>	<b>1.9</b>	<b>0.0</b>	<b>0.0</b>	<b>1.9</b>
Fixed rate	1.9	0.0	0.0	1.9
Floating rate	0.0	0.0	0.0	0.0
Index linked	0.0	0.0	0.0	0.0
Credit Default Swaps & Indices	0.0	0.0	0.0	0.0
<b>Securitised</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Equities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Other</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Cash</b>	<b>3.1</b>	<b>0.0</b>	<b>0.0</b>	<b>3.1</b>

## Industry breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
Sovereign	80.8	0.0	0.0	80.8
Foreign Sovereign	11.9	0.0	0.0	11.9
Supranational	2.0	0.0	0.0	2.0
Agency	1.3	0.0	0.0	1.3
Local-Authority	0.6	0.0	0.0	0.6
Government Guaranteed	0.1	0.0	0.0	0.1
Futures	0.0	0.0	0.0	0.0
Investment Grade indices	0.1	-7.9	0.0	-7.8
Cash	3.1	0.0	0.0	3.1

## Largest issuers (%)

	Fund
US	22.4
Germany	12.9
UK	9.2
New Zealand	4.6
Mexico	3.4
France	3.1
Italy	2.5
Canada	2.4
Indonesia	2.2
International Finance	2.0

## Credit rating breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
AAA	13.3	0.0	0.0	13.3
AA	41.8	0.0	0.0	41.8
A	1.4	0.0	0.0	1.4
BBB	17.5	-7.9	0.0	9.6
BB	9.3	0.0	0.0	9.3
B	0.5	0.0	0.0	0.5
CCC	0.3	0.0	0.0	0.3
CC	1.5	0.0	0.0	1.5
C	0.0	0.0	0.0	0.0
D	0.0	0.0	0.0	0.0
No rating	1.3	0.0	0.0	1.3
Cash	13.1	0.0	0.0	13.1

## Maturity breakdown (%)

	Physical
0 - 1 years	16.4
1 - 3 years	18.6
3 - 5 years	7.5
5 - 7 years	3.3
7 - 10 years	20.9
10 - 15 years	6.8
15+ years	23.4
Cash	3.1

## Duration by currency and asset class (years)

	Fund	Futures	Swaps	Net
Euro	1.8	0.4	0.0	2.2
British pound	0.7	0.3	0.0	1.0
US dollar	2.6	0.8	0.0	3.3
Other	1.6	0.0	-0.1	1.6
Total	6.7	1.5	-0.1	8.1

## Country breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
US	22.4	0.0	0.0	22.4
Germany	12.9	0.0	0.0	12.9
UK	9.2	0.0	0.0	9.2
New Zealand	4.6	0.0	0.0	4.6
Mexico	3.5	0.0	0.0	3.5
France	3.1	0.0	0.0	3.1
Indonesia	3.0	0.0	0.0	3.0
Vietnam	2.9	0.0	0.0	2.9
Other	35.2	0.0	0.0	35.2
Investment Grade indices	0.1	-7.9	0.0	-7.8
Cash	3.1	0.0	0.0	3.1

## Currency breakdown (%)

	Fund
US dollar	31.1
Euro	20.6
Japanese yen	18.0
China Yuan Renminbi	4.5
Indonesian rupiah	2.7
Canadian dollar	2.4
New Zealand dollar	2.3
Indian rupee	2.0
Norwegian krone	2.0
Other	14.4

## Fund codes and charges

Share class	ISIN	Bloomberg	Currency	Share class launch date	Ongoing charge	Distribution yield	Underlying yield	Minimum initial investment	Minimum top up investment
Sterling A Acc	GB0031289092	MGISBDA LN	GBP	04/10/1999	0.90%	3.40%	3.40%	£500	£100
Sterling A Inc	GB0031288912	MGISBDI LN	GBP	04/10/1999	0.90%	4.30%	3.40%	£500	£100
Sterling I Acc	GB00B7Q0Q826	MGISBIA LN	GBP	03/08/2012	0.50%	3.80%	3.80%	£500,000	£10,000
Sterling I Inc	GB00B700F033	MGISBII LN	GBP	03/08/2012	0.50%	4.30%	3.80%	£500,000	£10,000
Sterling R Acc	GB00B7J76C49	MGISBRA LN	GBP	03/08/2012	0.75%	3.55%	3.55%	£500	£100
Sterling R Inc	GB00B7L6KZ06	MGISBRI LN	GBP	03/08/2012	0.75%	4.30%	3.55%	£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](http://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.

## 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.

## 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. On 1 July 2014, the fund's investment policy was amended, allowing the fund to invest on a global basis (including the UK). On the same date, the fund's benchmark changed from the Barclays Global Aggregate Treasury Custom >\$3bn Index to the Barclays Global Treasury Index, which is more representative of the fund's investment universe. Please note the index returns shown for all time periods are those of the Barclays Global Treasury Index. Cash may be held on deposit and/or in the Northern Trust Cash Funds, a range of collective investment schemes.

The way we report our FRN's has changed to categorise the coupon more accurately, which may result in changes to the percentage allocation.

The M&G Global Government Bond Fund is a sub-fund of M&G Investment Funds (3).

The Morningstar Overall Rating based on the fund's Sterling Class I shares. Copyright © 2024 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.

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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