

# M&G Global Target Return Fund Sterling Class I – Accumulation shares

Monthly Fund Review as at 29 February 2024

For investment professionals only

## Fund description

The fund targets a combined income and capital growth of at least the Sterling Overnight Index Average (SONIA) plus 2-4% a year over any three-year period, before any charges and in any market condition. SONIA reflects the average interest rate that banks pay to borrow sterling overnight from other financial institutions. The fund aims to achieve this while seeking to minimise the degree to which the value of the fund fluctuates over time, and also seeking to limit monthly losses. Managing the fund in this way reduces its ability to achieve returns significantly above SONIA plus 2-4%. The fund has a highly flexible investment approach with the freedom to invest in different types of investment assets from anywhere in the world. The fund will mostly gain exposure to these assets by investing through derivatives, and by investing directly. The fund manager's approach combines in-depth research to determine the value of assets over the medium to long term, together with analysis of market reactions to events, to identify investment opportunities. There is no guarantee that the fund will achieve a positive return over any period. Investors may not get back the original amount they invested.

## 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.

An 'absolute return' fund may not move in line with market trends or fully benefit from a positive market environment.

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.

## Key information

<b>Fund manager(s)</b>	Tristan Hanson
<b>Fund manager tenure from</b>	13 December 2016
<b>Deputy fund manager(s)</b>	Craig Simpson
<b>ISIN</b>	GB00BYM55C75
<b>Launch date of fund</b>	13 December 2016
<b>Launch of share class</b>	13 December 2016
<b>Fund size (millions)</b>	£ 48.67
<b>Benchmark(s)</b>	SONIA + 2-4%
<b>Benchmark type</b>	Target
<b>Modified duration (years)</b>	2.86
<b>Portfolio turnover over 12 months</b>	27.16%
<b>VaR</b>	1.95%
<b>Average coupon</b>	8.26
<b>Payment dates</b>	Jun
<b>Ex-dividend dates</b>	May

## Charges

<b>Maximum entry charge</b>	0.00%
<b>Ongoing charge</b>	0.52%

## Things you should know

The fund allows for the extensive use of derivatives.

## Fund ratings as at 29 February 2024

Overall Morningstar rating

Financial Express Crown Rating



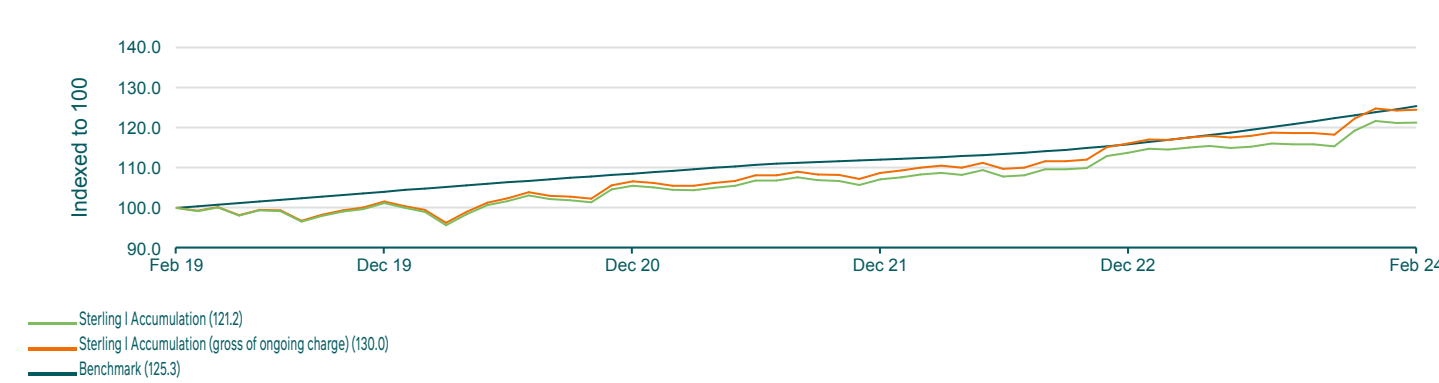
Source of Morningstar ratings: Morningstar  
Source: Financial Express

Ratings should not be taken as a recommendation.

Single year performance (5 years)

	2023	2022	2021	2020	2019
■ Sterling I Accumulation	7.0%	6.1%	1.5%	4.3%	3.8%
■ Sterling I Accumulation (gross of ongoing charge)	7.5%	6.7%	2.0%	4.9%	4.4%
■ Benchmark	6.9%	3.4%	3.2%	4.3%	4.9%

Performance over 5 years



Fund performance

	1 month	3 months	YTD	1 year	3 years p.a.	5 years p.a.
■ Sterling I Accumulation	0.1%	1.7%	-0.3%	5.9%	5.1%	3.9%
■ Sterling I Accumulation (gross of ongoing charge)	0.2%	1.8%	-0.3%	6.4%	5.6%	4.5%
■ Benchmark	0.6%	1.8%	1.2%	7.2%	4.7%	4.6%

Past performance is not a guide to future performance.

**Benchmark:** Prior to 19 July 2021 the benchmark was 3 month GBP LIBOR +4%. With effect from 20 July 2021 the benchmark will be SONIA + 2-4%.

**Performance comparison:** 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.

Fund performance shown here is both gross returns (before the Ongoing Charge Figure is taken), in line with the objective of the fund, and net returns (after the Ongoing Charge Figure has been taken), to illustrate how charges affected the performance. Investors should note that the net return is what they would receive and is therefore the more relevant figure.

**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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Asset breakdown (%)

	Long exposure	Short exposure	Net exposure
Equity	11.9	-4.5	7.4
UK	1.1	0.0	1.1
Europe	2.0	0.0	2.0
North America	1.0	-4.5	-3.5
Japan	0.0	0.0	0.0
Asia Pacific ex Japan	1.8	0.0	1.8
Other Developed Markets	0.0	0.0	0.0
Emerging markets	5.9	0.0	5.9
Equity options (nominal)	0.1	0.0	0.1
Government bonds	25.6	0.0	25.6
UK	5.1	0.0	5.1
Europe	0.0	0.0	0.0
North America	12.8	0.0	12.8
Japan	0.0	0.0	0.0
Asia Pacific ex Japan	0.0	0.0	0.0
Other Developed Markets	0.0	0.0	0.0
Emerging markets	7.7	0.0	7.7
Corporate bonds	16.1	0.0	16.1
Investment grade bonds	10.4	0.0	10.4
High yield bonds	5.6	0.0	5.6
Convertible bonds	0.0	0.0	0.0
Bond options (nominal)	0.0	0.0	0.0
Infrastructure	3.5	0.0	3.5
Property	0.0	0.0	0.0
Other	0.0	0.0	0.0
Cash			47.4

Currency breakdown (%)

	Fund
British pound	100.4
Mexican peso	1.8
US dollar	1.1
South African rand	0.8
Brazilian real	0.8
Hungarian forint	0.5
Chilean peso	0.4
Singapore dollar	0.0
Japanese yen	0.0
Other	-5.7

Credit rating breakdown (%)

	Net exposure
AAA	10.4
AA	17.9
A	0.0
BBB	2.9
BB	4.8
B	0.0
CCC	0.0
CC	0.0
C	0.0
D	0.0
No rating	5.6

Portfolio construction (%)

	Net allocation range	Neutrality
Equity	+/-35	0.0
Fixed income	+/-6 years duration	0.0
Other	0-20	0.0
Currency	50-150 in British pound	

Largest exposures (excl. cash, %)

	Fund
US Government 5Y	5.3
UK Securitised	5.1
UK Government 30Y	5.1
US Government 30Y	3.8
US Government 10Y	3.7
South Africa Government 15Y	3.0
Canada Securitised	2.9
Mexico Government 10Y	2.9
M&G TOTAL RETURN CREDIT EUR A ACC	2.8
S&P500 EMINI MAR 24 EQUITY INDEX FUTURE	-4.5

Options (%)

	Fund
Equity options valuation (delta adjusted)	0.0
Fixed interest options valuation (delta adjusted)	0.0

Fund codes and charges

Share class	ISIN	Bloomberg	Currency	Share class launch date	Ongoing charge	Historic yield	Minimum initial investment	Minimum top up investment
Sterling A Acc	GB00BYM55D82	MGGTAAG LN	GBP	13/12/2016	0.87%	1.87%	£500	£100
Sterling I Acc	GB00BYM55C75	MGGTIAG LN	GBP	13/12/2016	0.52%	2.12%	£500,000	£10,000
Sterling L Acc	GB00BD3F7J05	MGGTLAG LN	GBP	24/02/2017	0.27%	2.30%	£20,000,000	£50,000

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. The fund's physical holdings include a significant proportion of cash or cash equivalents, which are used as backing for the derivatives positions. The fund's neutral currency positioning is 100% in sterling. Deviations from this figure, therefore, represent long/short exposure.

The M&G Global Target Return Fund is a sub-fund of M&G Investment Funds (11).

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.

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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