

# M&G Positive Impact Fund Sterling Class A – Accumulation shares

Monthly Fund Review as at 31 March 2024

For investment professionals only

## Highlights

- In March, stock selection in healthcare, communication services and materials proved beneficial to relative performance. The fund's underweight to consumer discretionary also had a positive impact on relative returns. In contrast, stockpicking in utilities and technology dented relative performance, as did the fund's overweight to healthcare and lack of exposure to energy.
- The top contributors to relative performance were DS Smith and Safaricom. During the course of the month, both Mondi and International Paper made all-share offers to purchase DS Smith, twice boosting the company's share price. Key detractors included semiconductor company onsemi, Danish pharma business ALK-Abelló and digital automation and energy management company Schneider Electric.

## 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 as there may be difficulties in buying, selling, safekeeping or valuing investments in such countries.

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 A Accumulation	0.9%	-8.4%	13.1%	21.8%	28.2%
■ MSCI ACWI Index	15.9%	-7.6%	20.1%	13.2%	22.4%
■ Sector	12.7%	-11.3%	17.6%	14.8%	22.0%

## Performance over 5 years



## Fund performance

	1 month	3 months	YTD	1 year	3 years p.a.	5 years p.a.
■ Sterling A Accumulation	4.0%	5.7%	5.7%	5.3%	3.3%	9.2%
■ MSCI ACWI Index	3.3%	9.3%	9.3%	21.2%	10.7%	12.1%
■ Sector	3.3%	7.9%	7.9%	16.8%	7.1%	10.1%

Past performance is not a guide to future performance.

**Performance comparison:** The fund is actively managed. The benchmark is a target which the fund seeks to outperform. The index has been chosen as the fund's target benchmark as it best reflects the scope of 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.

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

<b>Fund manager(s)</b>	John William Olsen
<b>Fund manager tenure from</b>	20 November 2018
<b>Deputy fund manager(s)</b>	Thembeke Stemela
<b>ISIN</b>	GB00BG884724
<b>Launch date of fund</b>	20 November 2018
<b>Launch of share class</b>	20 November 2018
<b>Fund size (millions)</b>	£ 226.43
<b>Benchmark(s)</b>	MSCI ACWI Index
<b>Target</b>	Target
<b>Sector</b>	IA Global sector
<b>Number of companies</b>	35
<b>Historic yield</b>	0.34%
<b>Portfolio turnover over 12 months</b>	15.96%
<b>VaR</b>	9.45%
<b>Product availability</b>	ISA, Junior ISA, OEIC, Savings Plan
<b>Payment dates</b>	May
<b>Ex-dividend dates</b>	Apr

## Charges

<b>Maximum entry charge</b>	0.00%
<b>Ongoing charge</b>	1.10%

## Risk characteristics

As at 31/03/2024	Fund
Alpha (%)	-6.87
Information ratio	-0.75
Sharpe Ratio	0.16
Historic tracking error (%)	9.21
Beta	1.11
Standard deviation (%)	15.41
Forecast tracking error (active risk, %)	5.78
Active share (%)	97.69

## 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 31 March 2024

Morningstar Medalist Rating™	Analyst-Driven %
	55
	Data Coverage %
	98

Overall Morningstar rating  
3D Investing (Square Mile) Rating  
Financial Express Crown Rating



Source of Morningstar ratings: Morningstar  
Source: Square Mile  
Source: Financial Express

Ratings should not be taken as a recommendation.

## Sustainable Development Goal breakdown (%)

	Fund
SDG3: Good Health and Well-being	38.5
SDG9: Industry, Innovation and Infrastructure	31.2
SDG12: Responsible Consumption and Production	9.6
SDG8: Decent Work and Economic Growth	7.7
SDG11: Sustainable Cities and Communities	5.5
SDG7: Affordable and Clean Energy	3.4
SDG5: Gender Equality	1.7
Cash	2.4

## Industry breakdown (%)

	Fund	Index	Relative weight
Health care	34.4	11.1	23.2
Industrials	20.4	10.8	9.7
Information technology	17.8	23.7	-5.9
Financials	13.0	16.0	-3.1
Consumer discretionary	4.0	10.9	-6.9
Materials	2.5	4.2	-1.8
Utilities	2.4	2.5	-0.1
Communication services	2.3	7.6	-5.3
Real Estate	0.8	2.2	-1.4
Consumer staples	0.0	6.4	-6.4
Energy	0.0	4.5	-4.5
Other	0.0	0.1	-0.1
Cash	2.4	0.0	2.4

## Largest overweights (%)

	Fund	Index	Relative weight
Novo Nordisk	7.6	0.6	7.0
Schneider Electric	5.8	0.2	5.6
Bank of Georgia Group	5.2	0.0	5.2
Johnson Controls International	5.0	0.1	4.9
Republic Services	4.7	0.1	4.6
ON Semiconductor	4.5	0.0	4.5
Thermo Fisher Scientific	4.6	0.3	4.3
Horiba Ltd.	4.1	0.0	4.1
HDFC Bank	4.1	0.1	4.0
Unitedhealth Group	4.4	0.6	3.8

## Geographical breakdown (%)

	Fund	Index	Relative weight
US	57.8	65.3	-7.5
Europe	18.2	13.5	4.8
Emerging markets	13.6	10.5	3.1
Developed Asia	8.0	7.6	0.4
Other	0.0	3.1	-3.1
Cash	2.4	0.0	2.4

## Largest underweights (%)

	Fund	Index	Relative weight
Microsoft	0.0	4.1	-4.1
Apple	0.0	3.5	-3.5
Nvidia Corporation	0.0	3.1	-3.1
Alphabet	0.0	2.3	-2.3
Amazon	0.0	2.3	-2.3
Facebook	0.0	1.5	-1.5
ELI Lilly and Company	0.0	0.9	-0.9
Taiwan Semiconductor	0.0	0.8	-0.8
Broadcom	0.0	0.8	-0.8
JP Morgan	0.0	0.8	-0.8

## Company type breakdown (%)

	Fund
Leader	33.5
Enabler	33.3
Pioneer	30.8
Cash	2.4

## Capitalisation breakdown (%)

	Fund	Index	Relative weight
Mega cap (> \$50bn)	39.4	69.8	-30.4
Large cap (\$10 - \$50bn)	29.9	25.6	4.4
Mid cap (\$2 - \$10bn)	22.5	4.6	17.8
Small cap (< \$2bn)	5.9	0.0	5.9
Other	0.0	0.0	0.0
Cash	2.4	0.0	2.4

## Impact area breakdown (%)

	Fund
Better health, saving lives	34.4
Environmental solutions	23.7
Social inclusion	16.1
Circular economy	14.2
Climate action	7.5
Better Work and Education	1.7
Cash	2.4

## 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	GB00BG884724	MGPIGAA	GBP	20/11/2018	1.10%	0.34%	£500	£100
Sterling A Inc	GB00BG886760	MGPIGAI	GBP	20/11/2018	1.10%	1.39%	£500	£100
Sterling I Acc	GB00BG886B02	MGPIGIA	GBP	20/11/2018	0.70%	0.74%	£500,000	£10,000
Sterling I Inc	GB00BG886C19	MGPIGII	GBP	20/11/2018	0.70%	1.39%	£500,000	£10,000
Sterling L Acc	GB00BG886D26	MGPIGLA	GBP	20/11/2018	0.50%	0.91%	-	-
Sterling L Inc	GB00BG886F40	MGPIGLI	GBP	20/11/2018	0.50%	1.38%	-	-
Sterling R Acc	GB00BG886877	MGPIGRA	GBP	20/11/2018	0.95%	0.52%	£500	£100
Sterling R Inc	GB00BG886984	MGPIGRI	GBP	20/11/2018	0.95%	1.39%	£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.

## Climate Metrics

	Weighted Average Carbon Intensity	Coverage by portfolio weight (%)
Sterling A Accumulation	88.47	98.56%
Benchmark	118.94	98.90%

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 CO<sub>2</sub> 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 Positive Impact Fund is a sub-fund of M&G Investment Funds (10).

The Morningstar Overall Rating based on the fund's Sterling Class A shares. Copyright © 2024 Morningstar UK Limited. All Rights Reserved. Ratings should not be taken as recommendation.

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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