

M&G Global Sustain Paris Aligned Fund Sterling Class I – Accumulation shares

Monthly Fund Review as at 29 February 2024

For investment professionals only

Highlights

- In February, stock selection in technology and consumer staples had a negative impact on relative performance. The fund's underweight to consumer discretionary also proved detrimental to relative returns. In contrast, stock selection in materials and financials had a positive effect on relative performance.
- Key detractors from relative performance included Adobe and UnitedHealth. Concerns that OpenAI's new product, Sora, might pose a competitive risk to Adobe's Creative Cloud suite led to a drop in the software company's share price. Not holding Nvidia also dented the fund's relative returns: the tech company's share price surged after it released an exceptional earnings report further stoking investor excitement about AI. Top contributors to relative performance included Schneider Electric and Discover Financial Services. The latter's share price rose following news that US consumer bank Capital One intends to acquire the business for \$35.3 billion.
- No positions were opened or closed during the month.

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.

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	16.4%	-5.5%	26.2%	9.9%	28.9%
Benchmark	17.4%	-7.4%	23.5%	12.9%	23.4%
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 I Accumulation	2.4%	6.6%	3.2%	14.8%	12.0%	13.4%
Benchmark	5.0%	10.9%	6.4%	20.2%	12.9%	13.4%
Sector	4.1%	9.9%	4.5%	12.9%	7.0%	9.9%

Past performance is not a guide to future performance.

Performance comparison: The benchmark is a target which the fund seeks to outperform. The index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy. 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. The fund's holdings may deviate significantly from the benchmark's constituents.

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)	John William Olsen
Fund manager tenure from	30 June 2014
Deputy fund manager(s)	Lucy Hancock, Randeep Somel
ISIN	GB00B77HHZ62
Launch date of fund	19 December 1967
Launch of share class	03 August 2012
Fund size (millions)	£ 692.10
Benchmark(s)	MSCI World Index
Benchmark type	Target
Sector	IA Global sector
Number of companies	35
Historic yield	0.67%
Portfolio turnover over 12 months	12.59%
VaR	7.72%
Payment dates	Oct
Ex-dividend dates	Sep

Charges

Maximum entry charge	0.00%
Ongoing charge	0.70%

Risk characteristics

As at 29/02/2024	Fund
Alpha (%)	1.84
Information ratio	-0.14
Sharpe Ratio	0.95
Historic tracking error (%)	6.00
Beta	0.74
Standard deviation (%)	10.10
Forecast tracking error (active risk, %)	4.05
Active share (%)	89.27

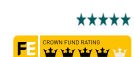
Things you should know

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	55
	Data Coverage %
	100

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.

Country breakdown (%)

	Fund	Index	Relative weight
US	64.4	72.5	-8.0
Denmark	9.3	0.9	8.4
UK	9.2	2.8	6.4
Japan	3.7	6.2	-2.5
Germany	3.1	2.2	0.8
India	2.6	0.0	2.6
Switzerland	2.2	1.7	0.6
Netherlands	1.5	1.5	-0.1
Other	1.3	12.2	-10.9
Cash	2.8	0.0	2.8

Industry breakdown (%)

	Fund	Index	Relative weight
Financials	22.3	15.1	7.3
Information technology	18.9	24.0	-5.1
Industrials	17.9	11.2	6.7
Health care	14.4	12.1	2.3
Consumer staples	6.1	6.5	-0.4
Communication services	6.1	7.4	-1.3
Consumer discretionary	5.2	11.0	-5.8
Materials	4.6	3.8	0.8
Utilities	1.8	2.4	-0.6
Energy	0.0	4.2	-4.2
Real Estate	0.0	2.3	-2.3
Other	0.0	0.1	-0.1
Cash	2.8	0.0	2.8

Currency breakdown (%)

	Fund	Index	Relative weight
US dollar	62.1	71.1	-8.9
Danish krone	9.9	0.9	8.9
British pound	9.1	3.8	5.4
Euro	6.7	8.7	-2.0
Swiss franc	4.6	2.5	2.1
Japanese yen	3.7	6.2	-2.5
Indian rupee	2.6	0.0	2.6
Hong Kong dollar	1.3	0.5	0.8
Korean won	0.0	0.0	0.0
Other	0.0	6.4	-6.4

Largest holdings (%)

	Fund	Index	Relative weight
Microsoft	8.0	4.6	3.3
Novo Nordisk	5.6	0.6	4.9
Unitedhealth Group	5.2	0.7	4.4
Alphabet	4.8	2.4	2.4
Schneider Electric	4.7	0.2	4.5
Visa	3.9	0.7	3.2
Manhattan Associates	3.9	0.0	3.8
American Express	3.7	0.2	3.5
Tokio Marine	3.7	0.1	3.6
Adobe	3.3	0.4	2.9

Largest overweights (%)

	Fund	Index	Relative weight
Novo Nordisk	5.6	0.6	4.9
Schneider Electric	4.7	0.2	4.5
Unitedhealth Group	5.2	0.7	4.4
Manhattan Associates	3.9	0.0	3.8
Tokio Marine	3.7	0.1	3.6
American Express	3.7	0.2	3.5
Microsoft	8.0	4.6	3.3
Visa	3.9	0.7	3.2
Ansys	3.0	0.1	3.0
WH Smith	3.0	0.0	3.0

Largest underweights (%)

	Fund	Index	Relative weight
Apple	0.0	4.2	-4.2
Nvidia Corporation	0.0	3.1	-3.1
Amazon	0.0	2.6	-2.6
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
Berkshire Hathaway	0.0	0.9	-0.9
Exxon Mobil	0.0	0.7	-0.7

Capitalisation breakdown (%)

	Fund	Index	Relative weight
Mega cap (> \$50bn)	59.9	71.6	-11.7
Large cap (\$10 - \$50bn)	29.6	25.4	4.2
Mid cap (\$2 - \$10bn)	7.7	3.0	4.7
Small cap (< \$2bn)	0.0	0.0	0.0
Cash	2.8	0.0	2.8

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	GB0030938038	MGSINGA LN	GBP	19/12/1967	1.10%*	0.34%	£500	£100
Sterling A Inc	GB0030937840	MGSINGI LN	GBP	19/12/1967	1.10%*	1.46%	£500	£100
Sterling I Acc	GB00B77HHZ62	MGGGWIA LN	GBP	03/08/2012	0.70%*	0.67%	£500,000	£10,000
Sterling I Inc	GB00B556Q879	MGGGWII LN	GBP	03/08/2012	0.70%*	1.45%	£500,000	£10,000
Sterling R Acc	GB00B7D8K769	MGGGWRA LN	GBP	03/08/2012	0.95%*	0.46%	£500	£100
Sterling R Inc	GB00B7PW5J39	MGGGWRI LN	GBP	03/08/2012	0.95%*	1.45%	£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	44.46	100.00%
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 fund changed its name, investment objective and investment strategy on 31 August 2021. Prior to this date, the fund was named M&G Global Select Fund. Fund performance before this date was therefore achieved under different circumstances. Past performance is no indication of current or future performance. The performance data does not take into account of commissions and costs incurred on the issue and redemption of units.

The M&G Global Sustain Paris Aligned Fund is a sub-fund of M&G Investment Funds (1).
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.
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