

# M&G Dividend 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: an annual dividend yield higher than that of the FTSE All-Share Index; an income distribution that increases every year; and a combination of capital growth and income, net of the Ongoing Charge Figure, that is higher than that of the FTSE All-Share Index over any five-year period. At least 70% of the fund is invested in the shares of companies listed in the UK, across any sector and of any size. The investment approach emphasises dividend yield to help identify stocks that are relatively cheap and to avoid those that are expensive. From the universe of high-yielding stocks, the fund manager identifies companies that are competitive, with a strong business franchise and that have attractive dividend growth prospects.

## 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 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	1.1%	2.7%	16.4%	-10.8%	20.3%
FTSE All-Share Index	7.9%	0.3%	18.3%	-9.8%	19.2%
Sector	7.1%	-2.2%	18.3%	-10.9%	20.1%

## Performance over 5 years



## Fund performance

	1 month	3 months	YTD	1 year	3 years p.a.	5 years p.a.
Sterling I Accumulation	4.1%	1.9%	1.9%	2.9%	4.4%	3.7%
FTSE All-Share Index	4.8%	3.6%	3.6%	8.4%	8.0%	5.4%
Sector	4.4%	2.5%	2.5%	7.7%	6.0%	4.6%

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 target 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 income objective 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 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)	Michael Stiasny
Fund manager tenure from	28 February 2019
Deputy fund manager(s)	James Taylor
ISIN	GB00B7BX4821
Launch date of fund	06 May 1964
Launch of share class	03 August 2012
Fund size (millions)	£ 799.19
Benchmark(s)	FTSE All-Share Index
Benchmark type	Target
Sector	IA UK Equity Income sector
Number of companies	78
Historic yield	5.23%
Index yield (FTSE All-Share Index)	3.75%
VaR	8.82%
Payment dates	Feb, May, Aug, Nov
Ex-dividend dates	Jan, Apr, Jul, Oct

## Charges

Maximum entry charge	0.00%
Ongoing charge	0.74%

## Risk characteristics

As at 31/03/2024	Fund
Alpha (%)	-3.00
Information ratio	-0.74
Sharpe Ratio	0.22
Historic tracking error (%)	4.90
Beta	0.93
Standard deviation (%)	11.27
Forecast tracking error (active risk, %)	3.45
Active share (%)	61.97

## 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 %
Neutral™	10
	Data Coverage %
	96
Overall Morningstar rating	★★
Financial Express Crown Rating	FE
Source of Morningstar ratings: Morningstar	
Source: Financial Express	
Ratings should not be taken as a recommendation.	

Industry breakdown (%)

	Fund
Financials	32.2
Energy	12.2
Consumer staples	10.6
Health care	9.0
Utilities	7.9
Consumer discretionary	7.3
Basic materials	7.3
Industrials	5.7
Real Estate	3.1
Telecommunications	2.9
Technology	0.9
Other	0.0
Cash	1.1

Currency breakdown (%)

	Fund	Index	Relative weight
British pound	95.3	100.0	-4.7
Euro	2.9	0.0	2.9
US dollar	1.2	0.0	1.2
Singapore dollar	0.3	0.0	0.3
Hong Kong dollar	0.3	0.0	0.3

Capitalisation breakdown (%)

	Fund	Index	Relative weight
Mega cap (> \$50bn)	39.2	46.9	-7.7
Large cap (\$10 - \$50bn)	22.5	28.4	-5.9
Mid cap (\$2 - \$10bn)	19.5	16.7	2.8
Small cap (< \$2bn)	17.6	8.0	9.7
Other	0.0	0.0	0.0
Cash	1.1	0.0	1.1

Largest holdings (%)

	Fund
BP	7.0
HSBC	6.6
Astrazeneca	4.9
Rio Tinto	4.2
Imperial Brands	4.1
Glaxosmithkline	4.1
BAT	4.1
Royal Dutch Shell	4.0
Lloyds Banking Group	2.9
National Grid	2.8

Largest overweights (%)

	Fund	Index	Relative weight
BP	7.0	3.5	3.5
Imperial Brands	4.1	0.7	3.4
Phoenix Group Holdings	2.8	0.2	2.6
DS Smith	2.2	0.2	2.0
BAT	4.1	2.1	2.0
Rio Tinto	4.2	2.3	1.9
Aviva	2.4	0.6	1.8
HSBC	6.6	5.0	1.6
Engie	1.6	0.0	1.6
RBS	2.2	0.6	1.6

Country breakdown (%)

	Fund	Index	Relative weight
UK	76.9	77.2	-0.2
US	4.9	5.7	-0.8
Australia	4.2	4.6	-0.4
Netherlands	4.0	7.2	-3.2
France	2.0	0.0	2.0
Guernsey	1.5	0.6	0.9
Hong Kong	1.2	0.9	0.3
Bermuda	0.9	0.0	0.9
Other	3.2	3.8	-0.6
Cash	1.1	0.0	1.1

Largest underweights (%)

	Fund	Index	Relative weight
Royal Dutch Shell	4.0	7.2	-3.2
Unilever	1.2	4.2	-3.0
RELX	0.0	2.8	-2.8
Diageo	0.0	2.7	-2.7
Glencore	0.0	2.2	-2.2
London Stock Exchange Group	0.0	1.9	-1.9
Astrazeneca	4.9	6.7	-1.8
BAE Systems	0.0	1.7	-1.7
Compass Group	0.0	1.7	-1.7
Rolls-Royce Holdings	0.0	1.5	-1.5

Fund codes and charges

Share class	ISIN	Bloomberg	Currency	Share class launch date	Ongoing charge	Historic yield	Minimum initial investment	Minimum top up investment
Sterling A Acc	GB0031286197	MGSDVDA LN	GBP	06/05/1964	1.14%	4.87%	£500	£100
Sterling A Inc	GB0031286080	MGSDVDI LN	GBP	06/05/1964	1.14%	6.25%	£500	£100
Sterling I Acc	GB00B7BX4821	MGDVSIA LN	GBP	03/08/2012	0.74%	5.23%	£500,000	£10,000
Sterling I Inc	GB00B6T64N15	MGDVSII LN	GBP	03/08/2012	0.74%	6.23%	£500,000	£10,000
Sterling R Acc	GB00B6Z2JG16	MGDVSRA LN	GBP	03/08/2012	0.99%	5.01%	£500	£100
Sterling R Inc	GB00B72RGV03	MGDVSRI LN	GBP	03/08/2012	0.99%	6.24%	£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 I Accumulation	105.23	92.99%
Benchmark	81.86	98.87%

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 Dividend 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.

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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