

M&G Sustainable Multi Asset Balanced Fund Sterling Class I – Accumulation shares

Monthly Fund Review as at 29 February 2024

For investment professionals only

Fund description

The fund aims to: limit the average volatility to 12% per annum over any five-year period, while providing a combination of capital growth and income over that period; and invest in assets which meet the fund's preferred ESG standards and/or those that have a positive societal impact through addressing the world's major social and environmental challenges. The fund typically invests directly in a range of assets, including company shares (20-60%), bonds, cash and near cash from anywhere in the world. Companies that are deemed to be in breach of the UN Global Compact principles and/or involved in industries like tobacco, controversial weapons, oil, gas, coal or nuclear fuel are excluded. The fund's approach to sustainable investment is to invest in securities of companies or governments that uphold high standards of ESG behaviour. The fund seeks to manage volatility and risk through flexible asset allocation across asset classes, sectors, currencies and countries. The fund's volatility objective may limit potential gains and losses.

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 is exposed to different currencies. Derivatives are used to minimise, but may not always eliminate, the impact of movements in currency exchange rates.

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.

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	8.1%	-11.5%	7.6%	-	-
■ IA Mixed Investment 20-60% Shares sector	6.9%	-9.6%	6.3%	-	-

Performance since launch



Fund performance

	1 month	3 months	YTD	1 year	3 years p.a.	5 years p.a.
■ Sterling I Accumulation	0.0%	2.5%	-1.9%	3.6%	0.9%	-
■ IA Mixed Investment 20-60% Shares sector	0.5%	3.9%	0.1%	4.7%	1.0%	-

Past performance is not a guide to future performance.

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)	Maria Municchi
Fund manager tenure from	08 December 2020
Deputy fund manager(s)	Steven Andrew
ISIN	GB00BNOW1B40
Launch date of fund	08 December 2020
Launch of share class	08 December 2020
Fund size (millions)	£ 50.39
Benchmark(s)	IA Mixed Investment 20-60% Shares Sector
Benchmark type	Comparator
Sector	None
Number of holdings	136
Historic yield	2.66%
Modified duration (years)	3.46
VaR	4.67%

Charges

Maximum entry charge	0.00%
Ongoing charge	0.73%

Fund ratings as at 29 February 2024

Morningstar Medalist Rating™



Analyst-Driven %
10
Data Coverage %
83

Overall Morningstar rating
3D Investing (Square Mile) Rating
Defaqto Risk Rating

★★
A



5 - Low Medium Risk

Dynamic Planner Rating

Source of Morningstar ratings: Morningstar
Source: Square Mile
Source: Defaqto
Source: Distribution Technology

Ratings should not be taken as a recommendation.

Asset breakdown (%)

	Fund
Equity	39.0
UK	1.7
Europe	9.2
North America	16.4
Japan	2.3
Asia Pacific ex Japan	3.1
Other Developed Markets	0.0
Emerging markets	6.3
Equity options (nominal)	0.0
Government bonds	21.5
UK	6.8
Europe	5.1
North America	6.7
Japan	0.0
Asia Pacific ex Japan	0.0
Other Developed Markets	0.0
Emerging markets	3.0
Corporate bonds	22.0
Investment grade bonds	19.5
High yield bonds	2.4
Convertible bonds	0.0
Bond options (nominal)	0.0
Infrastructure	5.8
Property	0.0
Other	0.0
Cash	11.7

Currency breakdown (%)

	Fund
British pound	84.2
US dollar	6.0
Japanese yen	2.3
Brazilian real	1.8
South African rand	1.4
Chilean peso	1.4
Mexican peso	1.0
Indonesian rupiah	0.8
Colombian peso	0.6
Other	0.4

MSCI ESG rating (%)

	Fund
AAA	7.8
AA	12.2
A	10.1
BBB	1.7
BB	0.0
Lower than BB	0.0
No rating	0.0
Positive impact holdings	56.5
Residual Cash	11.8
Total	100.0

MSCI ESG score

	Fund
Corporate holdings score (0-10)	7.7
Portfolio score (0-10)	7.6
Government bonds score (0-10)	5.7
Weighted average carbon intensity (corporate only)	46.1
Weighted average carbon intensity (MSCI ACWI)	118.0

Positive impact holdings by asset class (%)

	Fund
Equity	15.2
Corporate bonds	20.1
Infrastructure	6.4
Government	14.8
Total	56.5

Volatility against objective

	Objective Volatility over 5 year period p.a.	Current Volatility over 1 year (Annualized)
Sterling I Accumulation	12.00%	8.80%

It is not yet possible to measure the fund's volatility against its five-year volatility objective because the fund was only launched on 8 December 2020. Volatility over a shorter period not reflective of the fund's objective and may sit outside the volatility limit that is set out in the fund's Investment objective.

Fund codes and charges

Share class	ISIN	Bloomberg	Currency	Share class launch date	Ongoing charge	Historic yield	Minimum initial investment	Minimum top up investment
GBP A Acc	GB00BN0W1G94	MGSBSAA LN	GBP	08/12/2020	1.13%	2.35%	£500	£100
GBP I Acc	GB00BN0W1B40	MGSBSIA LN	GBP	08/12/2020	0.73%	2.66%	£500,000	£10,000
Sterling A Inc	GB00BN0W1H02	MGSBSAI LN	GBP	08/12/2020	1.13%	3.45%	£500	£100
Sterling I Inc	GB00BN0W1C56	MGSBSII LN	GBP	08/12/2020	0.73%	3.36%	£500,000	£10,000
Sterling L Acc	GB00BN0VM529	MGSBSLA LN	GBP	08/12/2020	0.53%	2.81%	£20,000,000	£50,000
Sterling R Acc	GB00BN0W1D63	MGSBSRA LN	GBP	08/12/2020	0.98%	2.47%	£500	£100
Sterling R Inc	GB00BN0W1F87	MGSBSRI LN	GBP	08/12/2020	0.98%	3.42%	£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	43.20	91.86%
Benchmark	0.00	0.00%

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). The WACI metric does not include carbon intensity data attributable to government bond securities. 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.

The fund has an overarching climate focus. It is applied to the wider portfolio across asset classes, sectors and geographies. The purpose of this climate focus is to assess the long-term sustainability of assets, with a focus on carbon intensity and climate adaptability. For the avoidance of doubt, this fund is not managed to a carbon emission objective and, the benchmark WACI (should funds have a benchmark) have 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 Sustainable Multi Asset Balanced Fund is a sub-fund of M&G Investment Funds (4).

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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