

M&G Global Macro Bond Fund Sterling Class I – Accumulation shares

Monthly Fund Review as at 31 March 2024

For investment professionals only

Highlights

- After a more challenging start to the year, bond markets rebounded in March, with positive returns in major markets helping the fund's performance.
- For us, the main opportunity remains in duration and we are comfortable retaining a long position here. We believe the more likely scenario for this year is not a soft landing, but a slowdown followed by central banks cutting rates. Therefore we want to be exposed to government bonds and longer in interest rates duration, which we would expect to perform well in such a scenario.
- We continued to reduce credit risk at the margin, and we maintain our very selective approach to new issues. We bought additional protection via the credit default swap index (CDX IG). We sold a Thames Water issue that held up well, a bond by office supplies retailer Staples and one by media firm Sirius. We maintained our short exposure to high yield corporate bonds. In emerging markets, we switched into slightly shorter duration bonds in South Africa and the Dominican Republic.

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.

High yield bonds usually carry greater risk that the bond issuers may not be able to pay interest or return the capital.

The fund can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.

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.

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.

Key information

| | |
|----------------------------------|--|
| Fund manager(s) | Jim Leaviss, Eva Sun-Wai |
| Fund manager tenure from | 15 October 1999 |
| ISIN | GB00B78PGS53 |
| Launch date of fund | 15 October 1999 |
| Launch of share class | 16 December 2011 |
| Fund size (millions) | £ 978.18 |
| Benchmark(s) | Bloomberg Global Aggregate Index Unhedged USD |
| Benchmark type | Target |
| Sector | IA Global Mixed Bond sector |
| Number of issuers | 103 |
| Distribution yield | 3.89% |
| Underlying yield | 3.89% |
| Modified duration (years) | 7.83 |
| VaR | 6.12% |
| Average coupon | 3.44 |
| Spread duration (years) | 1.8 |
| Payment dates | Mar, Jun, Sep, Dec |
| Ex-dividend dates | Feb, May, Aug, Nov |



Charges

| | |
|-----------------------------|-------|
| Maximum entry charge | 0.00% |
| Ongoing charge | 0.63% |

Things you should know

The fund may invest more than 35% in securities issued by any one or more of the governments listed in the fund prospectus. Such exposure may be combined with the use of derivatives in pursuit of the fund objective. It is currently envisaged that the fund's exposure to such securities may exceed 35% in the governments of Germany, Japan, UK, USA although these may vary subject only to those listed in the prospectus. The fund allows for the extensive use of derivatives.

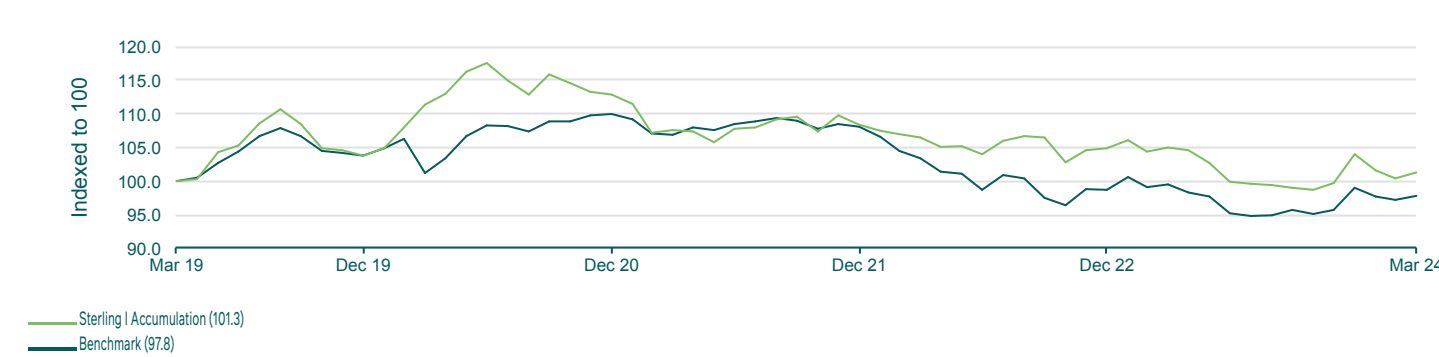
Fund ratings as at 31 March 2024

| | | |
|--|---|-----|
| Morningstar Medalist Rating™ | Analyst-Driven % | ★★★ |
|  | 100 | |
| | Data Coverage % | |
| | 100 | |
| Overall Morningstar rating | | |
| Financial Express Crown Rating |  | |
| Fund Calibre Rating | | Yes |
| Rayner Spencer Mills (RSM) Rating | | Yes |
| Source of Morningstar ratings: Morningstar | | |
| Source: Financial Express | | |
| Source: FundCalibre | | |
| Source: RSMR Group | | |
| Ratings should not be taken as a recommendation. | | |

Single year performance (5 years)

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---------------------------|-------|-------|-------|------|------|
| ■ Sterling I Accumulation | -0.9% | -3.2% | -4.0% | 8.8% | 4.4% |
| ■ Benchmark | 0.3% | -8.7% | -1.7% | 5.9% | 5.6% |
| ■ Sector | 4.9% | -8.8% | -2.2% | 5.7% | 5.2% |

Performance over 5 years



Fund performance

| | 1 month | 3 months | YTD | 1 year | 3 years p.a. | 5 years p.a. |
|---------------------------|---------|----------|-------|--------|--------------|--------------|
| ■ Sterling I Accumulation | 1.0% | -2.5% | -2.5% | -3.5% | -2.0% | 0.3% |
| ■ Benchmark | 0.7% | -1.2% | -1.2% | -1.6% | -2.9% | -0.4% |
| ■ Sector | 1.0% | 0.2% | 0.2% | 3.8% | -1.1% | 0.5% |

Past performance is not a guide to future performance.

Benchmark: Prior to 19 April 2021 the benchmark was the IA Global Bond Sector average. From 19 April 2021 to 5th March 2023 it was the IA Global Mixed Bond Sector average. Thereafter it is Bloomberg Global Aggregate Index Unhedged USD.

The benchmark is a target which the fund seeks to outperform. The sector has been chosen as the fund's benchmark as the fund is a constituent of the sector. 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.

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.

Performance charts © 2024 Morningstar Inc., All Rights Reserved. The information contained within: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Asset breakdown (%)

| | Physical | Short (via CDS) | Long (via CDS) | Net |
|----------------------------------|----------|--------------------|-------------------|-------|
| Government bonds | 53.2 | 0.0 | 0.0 | 53.2 |
| Investment grade corporate bonds | 21.5 | -20.0 | 0.0 | 1.5 |
| Fixed rate | 21.5 | 0.0 | 0.0 | 21.5 |
| Floating rate | 0.2 | 0.0 | 0.0 | 0.2 |
| Index linked | 0.0 | 0.0 | 0.0 | 0.0 |
| Credit Default Swaps & Indices | -0.2 | -20.0 | 0.0 | -20.2 |
| High yield corporate bonds | -0.2 | -4.6 | 0.0 | -4.8 |
| Fixed rate | 0.1 | 0.0 | 0.0 | 0.1 |
| Floating rate | 0.0 | 0.0 | 0.0 | 0.0 |
| Index linked | 0.0 | 0.0 | 0.0 | 0.0 |
| Credit Default Swaps & Indices | -0.4 | -4.6 | 0.0 | -5.0 |
| Securitised | 3.1 | 0.0 | 0.0 | 3.1 |
| Emerging markets | 18.9 | 0.0 | 0.0 | 18.9 |
| Equities | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash | 3.6 | 0.0 | 0.0 | 3.6 |

Industry breakdown (%)

| | Physical | Short (via CDS) | Long (via CDS) | Net |
|--------------------------|----------|--------------------|-------------------|-------|
| Sovereign | 67.6 | 0.0 | 0.0 | 67.6 |
| Banking | 8.3 | 0.0 | 0.0 | 8.3 |
| Utility | 3.8 | 0.0 | 0.0 | 3.8 |
| Foreign Sovereign | 3.7 | 0.0 | 0.0 | 3.7 |
| Asset backed | 2.7 | 0.0 | 0.0 | 2.7 |
| Insurance | 2.3 | 0.0 | 0.0 | 2.3 |
| Media | 1.4 | 0.0 | 0.0 | 1.4 |
| Technology & electronics | 1.3 | 0.0 | 0.0 | 1.3 |
| Financial services | 1.2 | 0.0 | 0.0 | 1.2 |
| Consumer goods | 1.1 | 0.0 | 0.0 | 1.1 |
| Supranational | 0.9 | 0.0 | 0.0 | 0.9 |
| Capital goods | 0.6 | 0.0 | 0.0 | 0.6 |
| Local-Authority | 0.5 | 0.0 | 0.0 | 0.5 |
| Healthcare | 0.4 | 0.0 | 0.0 | 0.4 |
| Mortgage backed | 0.4 | 0.0 | 0.0 | 0.4 |
| Retail | 0.3 | 0.0 | 0.0 | 0.3 |
| Telecommunications | 0.2 | 0.0 | 0.0 | 0.2 |
| Services | 0.2 | 0.0 | 0.0 | 0.2 |
| Transportation | 0.1 | 0.0 | 0.0 | 0.1 |
| Futures | 0.0 | 0.0 | 0.0 | 0.0 |
| Investment Grade indices | -0.2 | -20.0 | 0.0 | -20.2 |
| High Yield indices | -0.4 | -4.6 | 0.0 | -5.0 |
| Cash | 3.6 | 0.0 | 0.0 | 3.6 |

Maturity breakdown (%)

| | Physical |
|---------------|----------|
| 0 - 1 years | 12.4 |
| 1 - 3 years | 19.0 |
| 3 - 5 years | 8.5 |
| 5 - 7 years | 8.1 |
| 7 - 10 years | 16.5 |
| 10 - 15 years | 7.1 |
| 15+ years | 24.9 |
| Cash | 3.6 |
| Other | 0.0 |

Credit rating breakdown (%)

| | Physical | Short (via CDS) | Long (via CDS) | Net |
|-----------|----------|--------------------|-------------------|------|
| AAA | 11.8 | 0.0 | 0.0 | 11.8 |
| AA | 37.4 | 0.0 | 0.0 | 37.4 |
| A | 8.1 | -10.6 | 0.0 | -2.5 |
| BBB | 28.6 | -9.5 | 0.0 | 19.1 |
| BB | 5.8 | -1.5 | 0.0 | 4.3 |
| B | -0.2 | -3.1 | 0.0 | -3.3 |
| CCC | 0.0 | 0.0 | 0.0 | 0.0 |
| CC | 0.2 | 0.0 | 0.0 | 0.2 |
| C | 0.1 | 0.0 | 0.0 | 0.1 |
| D | 0.0 | 0.0 | 0.0 | 0.0 |
| No rating | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash | 8.2 | 0.0 | 0.0 | 8.2 |

Largest issuers (%)

| | Fund |
|-------------|------|
| US | 24.5 |
| Germany | 6.9 |
| UK | 6.3 |
| Mexico | 3.3 |
| New Zealand | 2.9 |
| Indonesia | 2.5 |
| Norway | 2.2 |
| Spain | 2.0 |
| Italy | 2.0 |
| Brazil | 2.0 |

Country breakdown (%)

| | Physical | Short (via CDS) | Long (via CDS) | Net |
|--------------------------|----------|--------------------|-------------------|-------|
| US | 33.0 | 0.0 | 0.0 | 33.0 |
| UK | 13.0 | 0.0 | 0.0 | 13.0 |
| Germany | 7.6 | 0.0 | 0.0 | 7.6 |
| France | 4.0 | 0.0 | 0.0 | 4.0 |
| Mexico | 3.3 | 0.0 | 0.0 | 3.3 |
| New Zealand | 2.9 | 0.0 | 0.0 | 2.9 |
| Indonesia | 2.5 | 0.0 | 0.0 | 2.5 |
| Spain | 2.5 | 0.0 | 0.0 | 2.5 |
| Other | 28.2 | 0.0 | 0.0 | 28.2 |
| High Yield indices | -0.4 | -4.6 | 0.0 | -5.0 |
| Investment Grade indices | -0.2 | -20.0 | 0.0 | -20.2 |
| Cash | 3.6 | 0.0 | 0.0 | 3.6 |

Currency breakdown (%)

| | Fund |
|-------------------|------|
| US dollar | 37.2 |
| Euro | 21.5 |
| Japanese yen | 19.6 |
| Indonesian rupiah | 2.5 |
| Canadian dollar | 2.3 |
| Norwegian krone | 2.2 |
| Brazilian real | 2.0 |
| Australian dollar | 1.7 |
| Swedish krona | 1.5 |
| Other | 9.4 |

Duration by currency and asset class (years)

| | Fund | Futures | Swaps | Net |
|---------------|------|---------|-------|-----|
| Euro | 1.3 | 0.3 | 0.0 | 1.6 |
| British pound | 1.2 | 0.0 | 0.0 | 1.2 |
| US dollar | 2.9 | 0.7 | 0.0 | 3.6 |
| Other | 1.6 | 0.0 | -0.1 | 1.5 |
| Total | 7.0 | 0.9 | -0.1 | 7.8 |

Fund codes and charges

| Share class | ISIN | Bloomberg | Currency | Share class launch date | Ongoing charge | Distribution yield | Underlying yield | Minimum initial investment | Minimum top up investment |
|------------------|--------------|------------|----------|-------------------------|----------------|--------------------|------------------|----------------------------|---------------------------|
| Sterling A Acc | GB0031616815 | MSGMBA LN | GBP | 15/10/1999 | 1.03% | 3.49% | 3.49% | £500 | £100 |
| Sterling A Inc | GB0031616708 | MSGMBI LN | GBP | 15/10/1999 | 1.03% | 4.52% | 3.49% | £500 | £100 |
| Sterling A-H Acc | GB00BVYJOW14 | MGGSAHA LN | GBP | 07/08/2015 | 1.06% | 3.50% | 3.50% | £500 | £100 |
| Sterling A-H Inc | GB00BVYJOX21 | MGGSAI LN | GBP | 07/08/2015 | 1.06% | 4.57% | 3.50% | £500 | £100 |
| Sterling I Acc | GB00B78PGS53 | MGGMIGA LN | GBP | 16/12/2011 | 0.63% | 3.89% | 3.89% | £500,000 | £10,000 |
| Sterling I Inc | GB00B78PH601 | MGGMIGI LN | GBP | 16/12/2011 | 0.63% | 4.52% | 3.89% | £500,000 | £10,000 |
| Sterling I-H Acc | GB00BVYJOY38 | MGGSIHA LN | GBP | 07/08/2015 | 0.66% | 3.90% | 3.90% | £500,000 | £10,000 |
| Sterling I-H Inc | GB00BVYJOZ45 | MGGSIHI LN | GBP | 07/08/2015 | 0.66% | 4.57% | 3.90% | £500,000 | £10,000 |
| Sterling R Acc | GB00B78PLC47 | MGGMBRA LN | GBP | 03/08/2012 | 0.88% | 3.64% | 3.64% | £500 | £100 |
| Sterling R Inc | GB00B45PMD45 | MGGMBRI LN | GBP | 03/08/2012 | 0.88% | 4.52% | 3.64% | £500 | £100 |
| Sterling R-H Acc | GB00BVYJ1063 | MGGSRHA LN | GBP | 07/08/2015 | 0.91% | 3.65% | 3.65% | £500 | £100 |
| Sterling R-H Inc | GB00BVYJ1170 | MGGSRHI LN | GBP | 07/08/2015 | 0.91% | 4.57% | 3.65% | £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.

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. Cash may be held on deposit and/or in the Northern Trust Cash Funds, a range of collective investment schemes.

The way we report our FRN's has changed to categorise the coupon more accurately, which may result in changes to the percentage allocation.

The M&G Global Macro Bond Fund is a stand alone OEIC.

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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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