

# M&G North American Dividend Fund Sterling Class I – Accumulation shares

Monthly Fund Review as at 29 February 2024

For investment professionals only

## Highlights

- The fund generated a positive return but underperformed the S&P 500 Index, with the shortfall exacerbated by market timing differences. The underweight positions in NVIDIA and Meta Platforms provided the biggest drag on relative performance. Not owning Amazon.com also held back relative performance. UnitedHealth struggled in an out-of-favour healthcare sector. Air Products and Chemicals declined in materials.
- Broadcom reached a new all-time high as a potential beneficiary of the structural growth in Artificial Intelligence (AI). NXP Semiconductors and Lam Research also added value in a buoyant technology sector. Tractor Supply and Lowe's outperformed in consumer discretionary after a favourable reporting season.
- We bought Meta Platforms following the announcement of its maiden dividend. We also initiated a new holding in Ares Management. Dividends continued on a positive footing, with double-digit increases from Sherwin-Williams (materials), Trane Technologies (industrials), Thermo Fisher (healthcare), Rexford Industrial Realty (real estate) and NextEra Energy (utilities). Tractor Supply (consumer discretionary) and Gibson Energy (energy) raised their dividends in the core 5-15% range.

## 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.

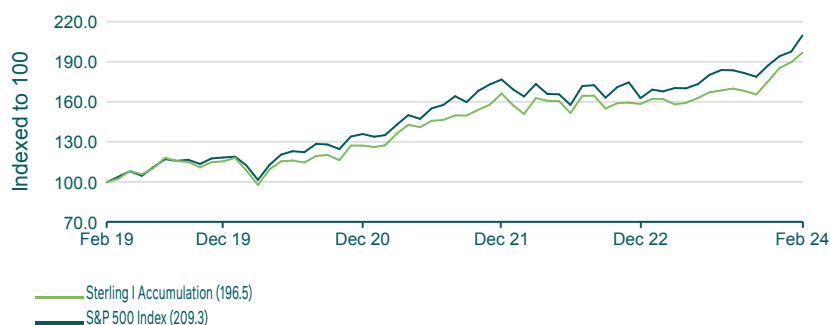
The fund can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.

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	17.0%	-4.7%	30.5%	10.1%	26.1%
S&P 500 Index	19.2%	-7.8%	29.9%	14.7%	26.4%
Sector	16.7%	-10.1%	25.3%	16.5%	24.6%

## Performance over 5 years



## Fund performance

	1 month	3 months	YTD	1 year	3 years p.a.	5 years p.a.
Sterling I Accumulation	3.7%	12.3%	6.1%	21.3%	15.5%	14.5%
S&P 500 Index	6.0%	12.1%	7.9%	24.9%	15.7%	15.9%
Sector	5.0%	11.9%	6.9%	20.6%	11.6%	13.4%

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 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 Weavers
Fund manager tenure from	28 April 2015
Deputy fund manager(s)	Stuart Rhodes
ISIN	GB00B7565G26
Launch date of fund	28 April 2015
Launch of share class	03 August 2012
Fund size (millions)	£ 786.20
Benchmark(s)	S&P 500 Index
Benchmark type	Target
Sector	IA North America sector
Number of companies	48
Historic yield	0.98%
Portfolio turnover over 12 months	29.84%
VaR	9.01%
Payment dates	Jan, Apr, Jul, Oct
Ex-dividend dates	Mar, Jun, Sep, Dec

## Charges

Maximum entry charge	0.00%
Ongoing charge	0.61%


## Risk characteristics

As at 29/02/2024	Fund
Alpha (%)	2.24
Information ratio	-0.03
Sharpe Ratio	1.05
Historic tracking error (%)	6.71
Beta	0.81
Standard deviation (%)	12.29
Forecast tracking error (active risk, %)	3.43
Active share (%)	75.81

## 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 %
	10
	Data Coverage %
	96
Overall Morningstar rating	★★★★★
Financial Express Crown Rating	
The Adviser Centre Rating	Recommended
Source of Morningstar ratings: Morningstar	
Source: Financial Express	
Source: Embark Investments Limited	

Ratings should not be taken as a recommendation.

Industry breakdown (%)

	Fund	Index	Relative weight
Financials	28.5	13.0	15.6
Information technology	27.7	29.8	-2.1
Health care	12.0	12.5	-0.5
Real Estate	7.1	2.3	4.8
Communication services	4.5	8.9	-4.4
Consumer discretionary	4.4	10.6	-6.3
Industrials	4.0	8.7	-4.7
Energy	3.5	3.7	-0.2
Materials	3.2	2.3	0.9
Utilities	2.3	2.1	0.1
Consumer staples	1.1	5.9	-4.9
Other	0.0	0.1	-0.1
Cash	1.7	0.0	1.7

Country breakdown (%)

	Fund	Index	Relative weight
US	93.6	99.8	-6.3
Canada	3.6	0.0	3.6
China	1.1	0.2	0.9
Cash	1.7	0.0	1.7

Largest holdings (%)

	Fund	Index	Relative weight
Microsoft	8.9	7.2	1.7
Broadcom	8.4	1.3	7.1
Mastercard	7.6	0.9	6.7
Visa	6.1	1.1	5.0
Unitedhealth Group	4.5	1.1	3.4
Blackrock	4.0	0.3	3.7
Cogent Communications Holdings	2.7	0.0	2.7
JP Morgan	2.6	1.3	1.3
Anthem	2.5	0.3	2.3
Equinix	2.5	0.2	2.3

Largest overweights (%)

	Fund	Index	Relative weight
Broadcom	8.4	1.3	7.1
Mastercard	7.6	0.9	6.7
Visa	6.1	1.1	5.0
Blackrock	4.0	0.3	3.7
Unitedhealth Group	4.5	1.1	3.4
Cogent Communications Holdings	2.7	0.0	2.7
Equinix	2.5	0.2	2.3
American Tower Corporation	2.5	0.2	2.3
Anthem	2.5	0.3	2.3
American Express	2.5	0.3	2.2

Largest underweights (%)

	Fund	Index	Relative weight
Apple	0.0	6.2	-6.2
Amazon	0.0	3.8	-3.8
Alphabet	0.0	3.5	-3.5
Nvidia Corporation	1.2	4.6	-3.3
Berkshire Hathaway	0.0	1.7	-1.7
ELI Lilly and Company	0.0	1.4	-1.4
Tesla	0.0	1.3	-1.3
Exxon Mobil	0.0	1.0	-1.0
Johnson & Johnson	0.0	0.9	-0.9
Home Depot	0.0	0.9	-0.9

Currency breakdown (%)

	Fund	Index	Relative weight
US dollar	98.2	100.0	-1.8
Canadian dollar	1.4	0.0	1.4
British pound	0.4	0.0	0.4
Japanese yen	0.0	0.0	0.0
Euro	0.0	0.0	0.0

Capitalisation breakdown (%)

	Fund	Index	Relative weight
Mega cap (> \$50bn)	83.5	82.3	1.2
Large cap (\$10 - \$50bn)	9.1	17.3	-8.1
Mid cap (\$2 - \$10bn)	5.6	0.5	5.2
Small cap (< \$2bn)	0.0	0.0	0.0
Cash	1.7	0.0	1.7

## 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	GB0030926843	MGSAGNA LN	GBP	18/12/1972	1.01%	0.65%	£500	£100
Sterling A Inc	GB0030926736	MGSAGNI LN	GBP	28/03/1977	1.01%	1.46%	£500	£100
Sterling I Acc	GB00B7565G26	MGAMSIA LN	GBP	03/08/2012	0.61%	0.98%	£500,000	£10,000
Sterling I Inc	GB00B7F5Y731	MGAMSII LN	GBP	03/08/2012	0.61%	1.46%	£500,000	£10,000
Sterling I-H Acc	GB00BJXT4930	MGNAGIH LN	GBP	06/12/2019	0.64%	0.94%	£500,000	£10,000
Sterling I-H Inc	GB00BJXT6X13	MGNAGIH LN	GBP	06/12/2019	0.64%	1.44%	£500,000	£10,000
Sterling R Acc	GB00B57X0X93	MGAMSRA LN	GBP	03/08/2012	0.86%	0.77%	£500	£100
Sterling R Inc	GB00B6SK8985	MGAMSRI LN	GBP	03/08/2012	0.86%	1.46%	£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	131.69	100.00%
Benchmark	93.19	98.77%

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 originally launched on 18 December 1972 as the M&G American Fund. On 28 April 2015, the fund's name and objective changed and it is now called the M&G North American Dividend Fund and we are choosing to use this date as the launch date for this fund . Therefore the past performance shown before this change was achieved under circumstances that no longer apply. The Fund changed its name and objective on 28 April 2015.

The M&G North American Dividend 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.

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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