

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

Monthly Fund Review as at 31 May 2024

For investment professionals only

Fund description

The fund aims to provide a combination of capital growth and income, net of the Ongoing Charge Figure, higher than the average return of the Bloomberg Global Treasury Index Unhedged USD over any five-year period. At least 70% of the fund is invested in investment grade government bonds from anywhere in the world, including emerging markets. It can also invest in high yield bonds. Investments are selected based on in-depth analysis of individual bond issuers, combined with an assessment of global, regional, and country-specific macroeconomic factors.

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 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.

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	0.8%	-5.7%	-4.8%	4.5%	5.4%
■ Benchmark	-1.7%	-7.8%	-2.8%	5.9%	5.6%
■ Sector	1.3%	-7.8%	-5.3%	5.6%	3.4%

Performance over 5 years



Fund performance

	1 month	3 months	YTD	1 year	3 years p.a.	5 years p.a.
■ Sterling I Accumulation	-0.9%	-1.9%	-5.6%	-3.6%	-3.3%	-2.1%
■ Benchmark	-0.7%	-2.3%	-4.6%	-4.2%	-4.6%	-2.1%
■ Sector	0.0%	-1.3%	-3.6%	-1.9%	-3.3%	-2.2%

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 Government Bond Sector average. Thereafter it is Bloomberg Global Treasury 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 May 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.

Key information

Fund manager(s)	Eva Sun-Wai, Jim Leaviss
Fund manager tenure from	31 December 2020
ISIN	GB00B7Q0Q826
Launch date of fund	04 October 1999
Launch of share class	03 August 2012
Fund size (millions)	£ 76.24
Benchmark(s)	Bloomberg Global Treasury Index Unhedged USD
Benchmark type	Target
Sector	IA Global Government Bond sector
Number of issuers	48
Distribution yield	3.92%
Underlying yield	3.92%
Average credit rating	A+
Modified duration (years)	8.06
VaR	6.15%
Average coupon	3.27
Spread duration (years)	1.8
Payment dates	Feb, Aug
Ex-dividend dates	Jan, Jul

Charges

Maximum entry charge	0.00%
Ongoing charge	0.50%

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 May 2024

Morningstar Medalist Rating™	Analyst-Driven %
Bronze	10
	Data Coverage %
	94

Overall Morningstar rating

Financial Express Crown Rating

Rayner Spencer Mills (RSM) Rating

Source of Morningstar ratings: Morningstar

Source: Financial Express

Source: RSMR Group

Ratings should not be taken as a recommendation.



★★★★

Yes

Asset breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
Government bonds	97.4	0.0	0.0	97.4
Investment grade corporate bonds	0.1	-8.3	0.0	-8.2
Fixed rate	0.0	0.0	0.0	0.0
Floating rate	0.0	0.0	0.0	0.0
Index linked	0.0	0.0	0.0	0.0
Credit Default Swaps & Indices	0.1	-8.3	0.0	-8.2
High yield corporate bonds	0.0	0.0	0.0	0.0
Fixed rate	0.0	0.0	0.0	0.0
Floating rate	0.0	0.0	0.0	0.0
Index linked	0.0	0.0	0.0	0.0
Credit Default Swaps & Indices	0.0	0.0	0.0	0.0
Securitised	0.0	0.0	0.0	0.0
Equities	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Cash	2.6	0.0	0.0	2.6

Industry breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
Sovereign	81.5	0.0	0.0	81.5
Foreign Sovereign	11.3	0.0	0.0	11.3
Supranational	3.3	0.0	0.0	3.3
Local-Authority	0.6	0.0	0.0	0.6
Agency	0.5	0.0	0.0	0.5
Government Guaranteed	0.2	0.0	0.0	0.2
Futures	0.0	0.0	0.0	0.0
Investment Grade indices	0.1	-8.3	0.0	-8.2
Cash	2.6	0.0	0.0	2.6

Largest issuers (%)

	Fund
US	24.5
Germany	13.5
UK	8.1
New Zealand	4.9
Mexico	3.2
Italy	2.6
Canada	2.5
Indonesia	2.2
Norway	2.1
International Finance	2.1

Credit rating breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
AAA	29.1	0.0	0.0	29.1
AA	36.4	0.0	0.0	36.4
A	3.7	0.0	0.0	3.7
BBB	18.6	-8.3	0.0	10.3
BB	7.2	0.0	0.0	7.2
B	0.9	0.0	0.0	0.9
CCC	0.0	0.0	0.0	0.0
CC	1.0	0.0	0.0	1.0
C	0.0	0.0	0.0	0.0
D	0.0	0.0	0.0	0.0
No rating	0.5	0.0	0.0	0.5
Cash	2.6	0.0	0.0	2.6

Maturity breakdown (%)

	Physical
0 - 1 years	16.2
1 - 3 years	17.2
3 - 5 years	6.9
5 - 7 years	4.3
7 - 10 years	20.7
10 - 15 years	8.1
15+ years	24.1
Cash	2.6

Duration by currency and asset class (years)

	Physical	Futures	Swaps	Net
Euro	1.7	0.4	0.0	2.1
British pound	0.9	0.2	0.0	1.1
US dollar	2.6	0.7	0.0	3.4
Other	1.6	0.0	-0.1	1.6
Total	6.8	1.3	-0.1	8.1

Country breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
US	24.5	0.0	0.0	24.5
Germany	13.5	0.0	0.0	13.5
UK	8.1	0.0	0.0	8.1
New Zealand	4.9	0.0	0.0	4.9
Mexico	3.4	0.0	0.0	3.4
Supranational	3.3	0.0	0.0	3.3
Indonesia	3.0	0.0	0.0	3.0
Italy	2.6	0.0	0.0	2.6
Other	34.3	0.0	0.0	34.3
Investment Grade indices	0.1	-8.3	0.0	-8.2
Cash	2.6	0.0	0.0	2.6

Currency breakdown (%)

	Fund
US dollar	31.7
Euro	18.9
Japanese yen	18.0
China Yuan Renminbi	4.7
Indonesian rupiah	2.7
Canadian dollar	2.5
New Zealand dollar	2.4
Norwegian krone	2.1
Indian rupee	2.1
Other	14.9

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	GB0031289092	MGISBDA LN	GBP	04/10/1999	0.90%	3.51%	3.51%	£500	£100
Sterling A Inc	GB0031288912	MGISBDI LN	GBP	04/10/1999	0.90%	4.42%	3.51%	£500	£100
Sterling I Acc	GB00B7Q0Q826	MGISBIA LN	GBP	03/08/2012	0.50%	3.92%	3.92%	£500,000	£10,000
Sterling I Inc	GB00B700F033	MGISBII LN	GBP	03/08/2012	0.50%	4.42%	3.92%	£500,000	£10,000
Sterling R Acc	GB00B7J76C49	MGISBRA LN	GBP	03/08/2012	0.75%	3.66%	3.66%	£500	£100
Sterling R Inc	GB00B7L6KZ06	MGISBRI LN	GBP	03/08/2012	0.75%	4.42%	3.66%	£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.

Important information

On 1 July 2014, the fund's investment policy was amended, allowing the fund to invest on a global basis (including the UK). On the same date, the fund's benchmark changed from the Barclays Global Aggregate Treasury Custom >\$3bn Index to the Barclays Global Treasury Index, which is more representative of the fund's investment universe. Please note the index returns shown for all time periods are those of the Barclays Global Treasury Index. Cash may be held on deposit and/or in the Northern Trust Cash Funds, a range of collective investment schemes.

The M&G Global Government Bond 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.

Where a security has not been rated by Standard & Poor's, Fitch or Moody's, we may use M&G's internal credit rating. Based on a comparison of all available ratings for each security, the most conservative rating (S&P, Fitch, Moody's or M&G's internal rating) is taken into consideration. The ratings so identified are then expressed or converted into M&G's ratings format to obtain uniform information for all securities in the portfolio.

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.**

This financial promotion is issued by M&G Securities Limited which is authorised and regulated by the Financial Conduct Authority in the UK and provides ISAs and other investment products. The company's registered office is 10 Fenchurch Avenue, London EC3M 5AG. Registered in England and Wales. Registered Number 90776.

Contact M&G

Private Investors

www.mandg.com/investments/private-investor/en-gb
0800 390 390

Charities

www.mandg.com/investments/charities/en-gb

For your protection calls may be recorded or monitored.

Professional investor

www.mandg.com/investments/professional-investor/en-gb

Institutional

www.mandg.com/investments/institutional/en-gb