

M&G UK Sustain Paris Aligned 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 to deliver a return, net of the Ongoing Charge Figure, that is higher than that of the FTSE All-Share Index over any five-year period, and to invest in companies that contribute towards the Paris Agreement climate change goal. At least 80% of the fund is invested in the shares of companies that are based, or do most of their business, in the UK. The fund is a concentrated portfolio of fewer than 50 holdings. The fund invests in companies which contribute towards the long-term global warming objectives of the Paris Agreement by having a low and/or reducing Carbon Intensity (Carbon Intensity less than half that of the benchmark), or delivering solutions to the challenge of climate change. The fund manager analyses companies for their potential to deliver sustainable growth. Relevant factors include high returns, robust competitive advantages, balanced capital allocation and culture aligned to environmental, social and governance (ESG) goals. The fund manager also looks for favourable exposure to sustainable growth themes that are aligned to a lower carbon, healthier, more equal and connected future.

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.

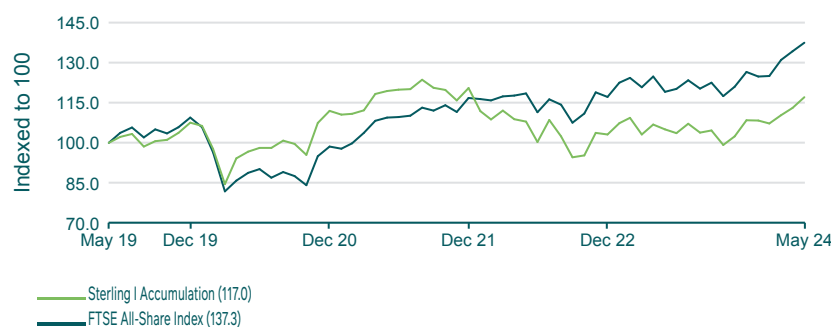
The fund can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.

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	5.1%	-14.4%	7.6%	4.1%	21.9%
■ FTSE All-Share Index	7.9%	0.3%	18.3%	-9.8%	19.2%
■ Sector	7.3%	-9.2%	17.1%	-6.2%	22.4%

Performance over 5 years



Fund performance

	1 month	3 months	YTD	1 year	3 years p.a.	5 years p.a.
■ Sterling I Accumulation	3.5%	9.1%	7.9%	11.4%	-0.6%	3.2%
■ FTSE All-Share Index	2.4%	9.9%	8.7%	15.4%	7.9%	6.5%
■ Sector	3.2%	9.2%	8.1%	13.5%	3.3%	5.1%

Past performance is not a guide to future performance.

The fund changed its name, investment objective and investment strategy. Prior to this date, the fund was named M&G UK Select Fund. Fund performance before this date was therefore achieved under different circumstances.

Performance comparison: The fund is actively managed. 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 target benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

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)	Rory Alexander
Fund manager tenure from	30 April 2019
Deputy fund manager(s)	Kathryn Leonard
ISIN	GB00B6677B69
Launch date of fund	17 December 1968
Launch of share class	03 August 2012
Fund size (millions)	£ 465.50
Benchmark(s)	FTSE-ALL-Share Index
Benchmark type	Target
Sector	IA UK All Companies sector
Number of companies	44
Historic yield	1.86%
Portfolio turnover over 12 months	13.64%
VaR	7.99%
Payment dates	Jan, Jul
Ex-dividend dates	Jun, Dec

Charges

Maximum entry charge	0.00%
Ongoing charge	0.73%

Risk characteristics

As at 31/05/2024	Fund
Alpha (%)	-8.66
Information ratio	-1.23
Sharpe Ratio	-0.17
Historic tracking error (%)	6.95
Beta	1.15
Standard deviation (%)	14.27
Forecast tracking error (active risk, %)	4.82
Active share (%)	69.45

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 May 2024

Morningstar Medalist Rating™	Analyst-Driven %
Neutral TM	10
	Data Coverage %
	96

Overall Morningstar rating

Financial Express Crown Rating



Source of Morningstar ratings: Morningstar
Source: Financial Express

Ratings should not be taken as a recommendation.

Industry breakdown (%)

	Fund	Index	Relative weight
Financials	23.4	24.3	-0.9
Industrials	20.2	12.4	7.8
Consumer staples	17.0	13.4	3.6
Health care	16.4	12.1	4.3
Consumer discretionary	6.8	10.7	-4.0
Technology	6.7	1.3	5.4
Real Estate	3.0	2.6	0.4
Energy	1.4	11.2	-9.8
Basic materials	1.2	7.3	-6.1
Utilities	0.0	3.5	-3.5
Telecommunications	0.0	1.2	-1.2
Other	0.1	0.0	0.1
Cash	3.8	0.0	3.8

Largest overweights (%)

	Fund	Index	Relative weight
Burford Capital	2.4	0.0	2.4
Experian	3.6	1.4	2.2
Man Group	2.2	0.1	2.1
Coats Group	2.1	0.1	2.1
Cranswick	2.2	0.1	2.1
London Stock Exchange Group	3.9	1.8	2.1
Segro	2.6	0.5	2.1
IQE	2.0	0.0	2.0
Weir Group	2.2	0.2	2.0
Integratin Holdings	2.0	0.0	2.0

Capitalisation breakdown (%)

	Fund	Index	Relative weight
Large	54.5	84.4	-29.9
Medium	25.3	13.6	11.7
Small	3.1	2.0	1.0
Preference shares	0.0	0.0	0.0
FTSE AIM	8.9	0.0	8.9
Non-FTSE All-Share	4.6	0.0	4.6
Cash	3.8	0.0	3.8

Country breakdown (%)

	Fund	Index	Relative weight
UK	82.0	73.1	8.9
US	12.6	16.6	-4.0
Hong Kong	1.6	0.9	0.8
Australia	0.0	4.9	-4.9
South Africa	0.0	1.3	-1.3
Guernsey	0.0	0.6	-0.6
Ireland	0.0	0.5	-0.5
Chile	0.0	0.3	-0.3
Other	0.0	2.0	-2.0
Cash	3.8	0.0	3.8

Largest underweights (%)

	Fund	Index	Relative weight
Royal Dutch Shell	0.0	7.5	-7.5
BP	0.0	3.4	-3.4
RELX	0.0	2.7	-2.7
Rio Tinto	0.0	2.5	-2.5
Glencore	0.0	2.4	-2.4
BAT	0.0	2.0	-2.0
BAE Systems	0.0	1.7	-1.7
National Grid	0.0	1.7	-1.7
Rolls-Royce Holdings	0.0	1.6	-1.6
Compass Group	0.0	1.5	-1.5

Largest holdings (%)

	Fund	Index	Relative weight
Astrazeneca	8.8	7.4	1.4
HSBC	7.2	5.5	1.7
Unilever	6.2	4.4	1.8
Glaxosmithkline	4.7	2.9	1.8
Diageo	4.1	2.4	1.7
London Stock Exchange Group	3.9	1.8	2.1
Experian	3.6	1.4	2.2
Reckitt Benckiser	2.8	1.3	1.5
Segro	2.6	0.5	2.1
Burford Capital	2.4	0.0	2.4

Currency breakdown (%)

	Fund	Index	Relative weight
British pound	96.5	100.0	-3.5
US dollar	1.9	0.0	1.9
Hong Kong dollar	1.7	0.0	1.7
Euro	0.0	0.0	0.0
Canadian dollar	0.0	0.0	0.0

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	GB0031111817	MGSCMPA LN	GBP	17/12/1968	1.13%	1.53%	£500	£100
Sterling A Inc	GB0031111700	MGSCMPI LN	GBP	19/10/1982	1.13%	2.50%	£500	£100
Sterling I Acc	GB00B6677B69	MGUKGIA LN	GBP	03/08/2012	0.73%	1.86%	£500,000	£10,000
Sterling I Inc	GB00B3R2HL98	MGUKGII LN	GBP	03/08/2012	0.73%	2.49%	£500,000	£10,000
Sterling R Acc	GB00B62XW350	MGUKGRA LN	GBP	03/08/2012	0.98%	1.65%	£500	£100
Sterling R Inc	GB00B6Z1RF34	MGUKGRI LN	GBP	03/08/2012	0.98%	2.50%	£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

The M&G UK Sustain Paris Aligned Fund is a sub-fund of M&G Investment Funds (2).

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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