

M&G Global Convertibles Fund Sterling Class I-H – Accumulation shares

Monthly Fund Review as at 31 May 2024

For investment professionals only

Highlights

- The fund's relative performance was supported by holdings in convertibles issued by Italy-based cable manufacturer Prysmian, radiopharmaceutical-focused company Lantheus Holdings and China-based property group Longfor.
- Conversely, holdings in convertibles issued by Spirit Aerosystems and technology companies NICE and Akamai held back relative returns. During the month, Spirit Aerosystems announced a sharp increase in quarterly losses. Shares in Akamai fell when the company issued weak guidance for the rest of its financial year, whereas NICE fell after the company's chief executive announced he would leave his post by year end.
- During the month we closed the fund's position in convertibles issued by Swiss Re, MP Materials and Solaredge Technologies. We bought two convertibles from Delivery Hero, a convertible issued by JD.com and a bond exchangeable into Tencent shares. In April, we sold a convertible from Pacira ahead of maturity and in May, we bought a new convertible from the company, that was more sensitive to equity price movements.

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.

Convertibles are subject to the risks associated with both bonds and company shares, and to risks specific to the asset class. Their value may change significantly depending on economic and interest rate conditions, the creditworthiness of the issuer and the performance of the underlying company shares. In addition, issuers of convertibles may fail to meet payment obligations and their credit ratings may be downgraded. Convertibles may also be harder to sell than the underlying company shares.

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 hedging process seeks to minimise, but cannot eliminate, the effect of movements in exchange rates on the performance of the hedged share class. Hedging also limits the ability to gain from favourable movements in exchange rates.

Further risk factors that apply to the fund can be found in the fund's Prospectus.

Key information

Fund manager(s)	Léonard Vinville
Fund manager tenure from	13 July 2007
Deputy fund manager(s)	David Romani, Yannis Karachalios
ISIN	GB00B8J73758
Launch date of fund	13 July 2007
Launch of share class	28 September 2012
Fund size (millions)	£ 192.21
Benchmark(s)	Refinitiv Global Focus GBP Hedged Convertible Bond Index
Benchmark type	Target
Sector	Morningstar Convertible Bond - Global, GBP Hedged sector
Number of holdings	77
Historic yield	3.15%
Modified duration (years)	1.11
Portfolio turnover over 12 months	42.99%
VaR	8.71%
Average coupon	1.32
Delta	0.57
Convexity	4.0%
Points over bond floor to maturity	0.2%
Elasticity	50.0%
Expected life	2.1
Portfolio yield (%)	-2.44%
Payment dates	Mar
Ex-dividend dates	Feb

Charges

Maximum entry charge	0.00%
Ongoing charge	0.88%

Things you should know

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 %
	95

Overall Morningstar rating
Financial Express Crown Rating



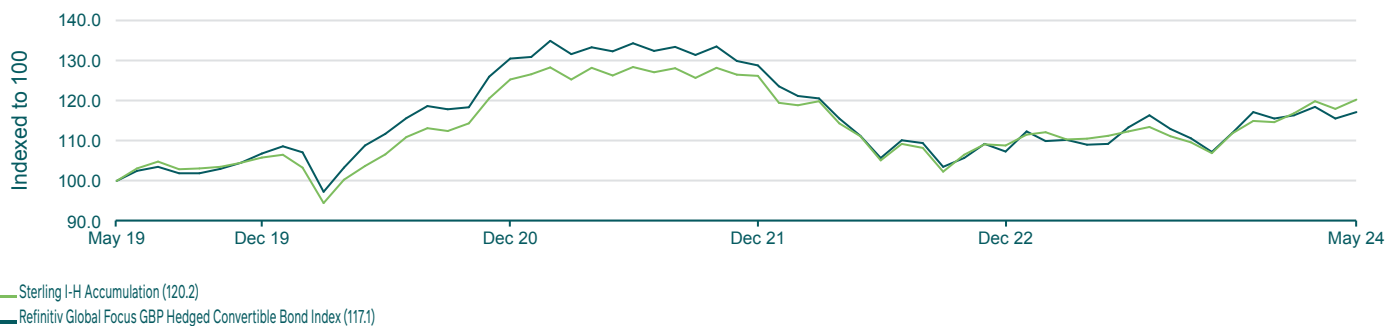
Source of Morningstar ratings: Morningstar
Source: Financial Express

Ratings should not be taken as a recommendation.

Single year performance (5 years)

	2023	2022	2021	2020	2019
■ Sterling I-H Accumulation	5.6%	-13.7%	0.7%	18.4%	9.4%
■ Refinitiv Global Focus GBP Hedged Convertible Bond Index	9.2%	-16.7%	-1.3%	22.1%	11.4%
■ Sector	7.2%	-15.8%	0.3%	18.6%	10.4%

Performance over 5 years



Fund performance

	1 month	3 months	YTD	1 year	3 years p.a.	5 years p.a.
■ Sterling I-H Accumulation	1.9%	2.9%	4.6%	8.0%	-1.6%	3.7%
■ Refinitiv Global Focus GBP Hedged Convertible Bond Index	1.4%	0.7%	0.0%	7.2%	-4.0%	3.2%
■ Sector	1.3%	1.3%	1.5%	6.6%	-3.2%	2.9%

Past performance is not a guide to future performance.

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.

Until 24 February 2020 the name of the benchmark was Thomson Reuters Global Focus Convertible Bond Index.

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.

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Industry breakdown (%)

	Fund
Consumer discretionary	24.1
Technology	19.6
Industrials	14.8
Health care	12.2
Financials	8.7
Telecommunications	5.7
Real Estate	5.2
Energy	3.4
Basic materials	3.2
Consumer staples	1.8
Utilities	0.6
Cash	0.8

Credit rating breakdown (%)

	Net exposure
AAA	0.0
AA	0.0
A	9.9
BBB	19.8
BB	10.5
B	5.7
CCC	1.4
CC	0.0
C	0.0
D	0.0
No rating	51.9

Currency breakdown (%)

	Fund
US dollar	66.0
Euro	21.4
Hong Kong dollar	4.7
British pound	3.9
Japanese yen	2.7
Australian dollar	1.4
Singapore dollar	0.0

Largest holdings (%)

	Fund
Uber Technologies	4.4
Prysmian	4.0
Seagate Technology HDD Holdings	3.5
Lantheus Holdings	3.1
Barclays Bank	3.0
JPMorgan Chase Financial Company	2.9
BOX	2.9
BNP Paribas	2.5
Cellnex Telecom	2.4
Meituan Dianping	2.4

Country breakdown (%)

	Fund
US	46.3
China	17.2
UK	7.4
Italy	7.0
Germany	4.2
France	3.9
Japan	2.7
Spain	2.4
Other	8.2
Cash	0.8

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	GB00B1Z68163	MGGLCON LN	GBP	13/07/2007	1.25%	2.83%	£500	£100
Sterling A Inc	GB00B1Z68270	MGGLCAI LN	GBP	13/07/2007	1.25%	4.18%	£500	£100
Sterling A-H Acc	GB00B8J73Y29	MGCVAHG LN	GBP	28/09/2012	1.28%	2.78%	£500	£100
Sterling I Acc	GB00B1Z68387	MGGLCIA LN	GBP	13/07/2007	0.85%	3.20%	£500,000	£10,000
Sterling I Inc	GB00B758PJ12	MGGCVII LN	GBP	03/08/2012	0.85%	4.17%	£500,000	£10,000
Sterling I-H Acc	GB00B8J73758	MGCVIHG LN	GBP	28/09/2012	0.88%	3.15%	£500,000	£10,000
Sterling R Acc	GB00B7L56P93	MGGCVRA LN	GBP	03/08/2012	1.10%	2.97%	£500	£100
Sterling R Inc	GB00B6T8JQ52	MGGCVRI LN	GBP	03/08/2012	1.10%	4.18%	£500	£100
Sterling R-H Acc	GB00B8J72X47	MGCVRHG LN	GBP	28/09/2012	1.13%	2.92%	£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

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

Currency breakdown - Hedged to relevant share class currency.

The M&G Global Convertibles Fund is a sub-fund of M&G Investment Funds (7).

The Morningstar Overall Rating based on the fund's Sterling Class I-H 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.**

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