

M&G Dividend 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: an annual dividend yield higher than that of the FTSE All-Share Index; an income distribution that increases every year; and a combination of capital growth and income, net of the Ongoing Charge Figure, that is higher than that of the FTSE All-Share Index over any five-year period. At least 70% of the fund is invested in the shares of companies listed in the UK, across any sector and of any size. The investment approach emphasises dividend yield to help identify stocks that are relatively cheap and to avoid those that are expensive. From the universe of high-yielding stocks, the fund manager identifies companies that are competitive, with a strong business franchise and that have attractive dividend growth prospects.

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 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	1.1%	2.7%	16.4%	-10.8%	20.3%
■ FTSE All-Share Index	7.9%	0.3%	18.3%	-9.8%	19.2%
■ Sector	7.1%	-2.2%	18.3%	-10.9%	20.1%

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%	12.2%	9.8%	12.4%	5.3%	5.5%
■ FTSE All-Share Index	2.4%	9.9%	8.7%	15.4%	7.9%	6.5%
■ Sector	3.2%	10.7%	8.6%	15.3%	6.1%	5.9%

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 income objective 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 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)	Michael Stiasny
Fund manager tenure from	28 February 2019
Deputy fund manager(s)	James Taylor
ISIN	GB00B7BX4821
Launch date of fund	06 May 1964
Launch of share class	03 August 2012
Fund size (millions)	£ 817.14
Benchmark(s)	FTSE All-Share Index
Benchmark type	Target
Sector	IA UK Equity Income sector
Number of companies	76
Historic yield	5.03%
Index yield (FTSE All-Share Index)	3.62%
Portfolio turnover over 12 months	0.60%
VaR	8.80%
Payment dates	Feb, May, Aug, Nov
Ex-dividend dates	Jan, Apr, Jul, Oct

Charges

Maximum entry charge	0.00%
Ongoing charge	0.74%

Risk characteristics

As at 31/05/2024	Fund
Alpha (%)	-2.19
Information ratio	-0.54
Sharpe Ratio	0.27
Historic tracking error (%)	4.82
Beta	0.96
Standard deviation (%)	11.48
Forecast tracking error (active risk, %)	3.22
Active share (%)	60.71

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
Financials	32.7
Energy	12.3
Consumer staples	10.9
Health care	9.4
Basic materials	7.5
Consumer discretionary	7.1
Utilities	6.7
Industrials	6.0
Real Estate	3.0
Telecommunications	2.9
Technology	0.9
Cash	0.7

Largest holdings (%)

	Fund
HSBC	7.2
BP	6.7
Astrazeneca	5.4
Rio Tinto	4.4
Imperial Brands	4.4
Royal Dutch Shell	4.2
Glaxosmithkline	4.1
BAT	4.0
Lloyds Banking Group	3.1
RBS	2.5

Country breakdown (%)

	Fund	Index	Relative weight
UK	70.6	73.1	-2.5
US	16.0	16.6	-0.6
Australia	4.4	4.9	-0.5
Guernsey	1.5	0.6	0.9
France	1.5	0.0	1.5
Hong Kong	1.3	0.9	0.4
Bermuda	0.9	0.0	0.9
Finland	0.8	0.0	0.8
Other	2.4	4.0	-1.6
Cash	0.7	0.0	0.7

Currency breakdown (%)

	Fund	Index	Relative weight
British pound	96.1	100.0	-3.9
Euro	2.3	0.0	2.3
US dollar	1.0	0.0	1.0
Hong Kong dollar	0.3	0.0	0.3
Singapore dollar	0.3	0.0	0.3

Largest overweights (%)

	Fund	Index	Relative weight
Imperial Brands	4.4	0.7	3.7
BP	6.7	3.4	3.3
Phoenix Group Holdings	2.5	0.2	2.3
BAT	4.0	2.0	2.0
Rio Tinto	4.4	2.5	1.9
DS Smith	2.1	0.2	1.9
RBS	2.5	0.7	1.8
HSBC	7.2	5.5	1.7
Lloyds Banking Group	3.1	1.5	1.6
BT Group	1.9	0.3	1.6

Largest underweights (%)

	Fund	Index	Relative weight
Royal Dutch Shell	4.2	7.5	-3.3
Unilever	1.3	4.4	-3.1
RELX	0.0	2.7	-2.7
Glencore	0.0	2.4	-2.4
Diageo	0.0	2.4	-2.4
Astrazeneca	5.4	7.4	-2.0
London Stock Exchange Group	0.0	1.8	-1.8
BAE Systems	0.0	1.7	-1.7
Rolls-Royce Holdings	0.0	1.6	-1.6
Compass Group	0.0	1.5	-1.5

Capitalisation breakdown (%)

	Fund	Index	Relative weight
Mega cap (> \$50bn)	39.8	47.9	-8.1
Large cap (\$10 - \$50bn)	22.2	27.0	-4.8
Mid cap (\$2 - \$10bn)	19.6	17.1	2.6
Small cap (< \$2bn)	17.6	7.7	9.9
Other	0.0	0.3	-0.3
Cash	0.7	0.0	0.7

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	GB0031286197	MGSDVDA LN	GBP	06/05/1964	1.14%	4.70%	£500	£100
Sterling A Inc	GB0031286080	MGSDVDI LN	GBP	06/05/1964	1.14%	5.97%	£500	£100
Sterling I Acc	GB00B7BX4821	MGDVSIA LN	GBP	03/08/2012	0.74%	5.03%	£500,000	£10,000
Sterling I Inc	GB00B6T64N15	MGDVSII LN	GBP	03/08/2012	0.74%	5.94%	£500,000	£10,000
Sterling R Acc	GB00B6Z2JG16	MGDVSRA LN	GBP	03/08/2012	0.99%	4.82%	£500	£100
Sterling R Inc	GB00B72RGV03	MGDVSRI LN	GBP	03/08/2012	0.99%	5.95%	£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 Dividend 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.

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