

Consumer-Facing Disclosure

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M&G UK Sustain Paris Aligned Fund

a sub-fund of M&G Investment Funds (2), managed by M&G Securities Limited

LEI Identifier 549300TIKNBOG9RV6X32

This Consumer-Facing Disclosure is accurate as at 02 April 2026.



Sustainability label

Sustainable Investment Labels help investors find products that have a specific sustainability goal. This product has a 'Sustainability Improvers' label. It invests mainly in assets that may not be sustainable now, with an aim to improve their sustainability for people or the planet over time.

Sustainability goal

Support the mitigation of climate change by investing at least 70% of the fund in companies that contribute towards the Paris Agreement climate change goal* and have the potential to reduce their contribution to climate change determined by their potential to decarbonise their operations over time and ultimately reach Net Zero**.

*The overarching Paris Agreement climate change goal is to hold the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels. The principal way to achieve this is to avoid the buildup of greenhouse gases, which in turn will prevent the most severe impacts of climate change, such as extreme weather events, sea-level rise, and biodiversity loss.

**The long term target is for investments made by the fund to reach Net Zero by 2050.

Sustainability approach



The fund manager uses a framework to assess investments for the fund. Firstly, independent data is used to filter out companies that harm the environment and society by excluding or restricting certain investments (the exclusionary approach), then other elements are used to select what to include in the fund.

At least 70% of the fund's assets are invested in "Improvers" which contribute to the fund's Sustainability Goal. The remaining assets will be invested as to not conflict with the fund's Sustainability Goal, including in companies that have reached Net Zero, companies with low carbon emissions, companies providing climate solutions and assets that can be converted into cash quickly.



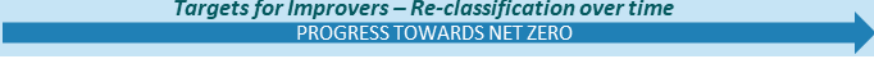
Exclusionary Approach

The fund limits the harm to the environment and society by excluding or restricting certain investments. Applying this approach reduces the pool of investments the fund manager can choose from. More details can be found overleaf.



Transition Assessment Framework to select Improvers

Improvers are categorised as companies that are classified as Committed, Aligning or Aligned in their progress towards Net Zero. The Transition Assessment Framework categories and transition targets for Improvers over time are as follows:

Improvers - Classifications		
Committed Companies which have a goal to achieve net zero	Aligning Companies that have targets to achieve net zero but their emissions performance is not on track yet	Aligned Companies that have targets to achieve net zero and their emissions performance is on track
Targets for Improvers – Re-classification over time 		
Short-Term For a company to move up at least one category over a three-year period until it reaches Aligned	Medium-Term For a company to move to Aligned within six years	Long-Term For a company to reach Net Zero by 2050

The fund manager acknowledges that external factors, such as political interference, can impact decarbonisation efforts. Therefore, they will also support companies in upholding their existing commitments.



Additional Considerations regarding the fund's contribution to climate change:

- The fund restricts investment in companies involved in thermal coal or oil and gas extraction or carbon intensive power generation, as such companies are a major factor in climate change (see exclusionary approach); and
- Carbon intensity - a measure of a company's carbon emissions[^] which helps determine the environmental impact of producing energy, manufacturing products, or running a business. Weighted Average Carbon Intensity (WACI) is a commonly used measure of carbon pollution for a fund. The fund's (WACI) must be less than 50% of the UK equity market WACI (as represented by the FTSE All-Share Index).

[^]Carbon emissions (expressed in tonnes CO₂ per m pound of sales) fall into 2 categories

Scope 1 Emissions refer to greenhouse gas emissions from sources a company owns or controls directly. For example, burning fuel in its fleet of vehicles.

Scope 2 Emissions are the indirect greenhouse gas emissions from the generation of electricity, steam, heat or cooling that a company purchases and uses. For example, the emissions from generating the electricity to power its buildings.

Exclusionary approach

The fund manager excludes or restricts investment in companies that harm the environment and society. The fund manager uses data from independent data vendors such as MSCI and Bloomberg to filter out companies for exclusion, but this can be supplemented by the fund manager's sustainability research, which may result in filtered out companies being included for valid reasons, as described in the Prospectus.

Environmental  Thermal Coal Extraction 0%  Carbon-intensive power generation 5%*  Oil and Gas Extraction 0%	Social  Controversial Weapons 0%  Defence and Other Weapons 5%  Tobacco 0% Producers 10% Distributors  Gambling 0% Providers  Adult Entertainment 0% Producers, Directors, Publishers	Governance  Sovereign Good Governance Sovereigns / countries that flag as non-cooperative tax jurisdictions; subject to UN or EU Sanctions and/or politically unstable or corrupt.  Corporate Good Governance Companies assessed to be in severe, repeated and/or systemic breach of international global norms (where engagement is unlikely to remediate/mitigate risk of recurrence).	All percentages stated are the maximum revenue threshold that a company is permitted to have in the excluded activity. *This means we may consider a company which exceeds this revenue threshold for investment where it has been assessed and determined not to cause significant environmental or social harm.
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Engagement and Stewardship

The fund manager aims to support the achievement of the fund's Sustainability Goal through moving companies up through the Transition Assessment Framework levels over time to Net Zero. Engagement topics have clear objectives and progress is measured with the following Engagement Milestones:



More information on Engagement and Stewardship is available in the Prospectus.

Sustainability metrics

The fund will measure and report on the following key performance indicators (KPIs), which are used to measure performance towards the Sustainability Goal.

Outcome as at 28 February 2026 (number unless otherwise stated)

For the purposes of the KPIs below, please note there are a total of 39 companies in the portfolio.

	% of the fund in Improvers Companies The value must be at least 70% Committed 20.0% Aligning 39.8% Aligned 32.4% 'Improvers' (Committed + Aligning + Aligned) 92.2%	Re-classification of companies between Committed, Aligning, Aligned categories, and missed and/or extended targets for period 02/04/2025 to 28/02/2026 Number of companies Upgraded 2 Number of companies Downgraded* 1 Number of companies missed and/or extended Improvers targets 0 *Downgrade did not result to the company being classified outside an 'Improver' category.
	Fund WACI The fund WACI must be less than 50% of the UK equity market index WACI (represented by the FTSE All-Share Index) Fund WACI 17.9 50% of UK equity market index WACI 59.9	Reduction in CO2 emissions CO2 equivalent reduction of Improvers over 3 years 21.3 CO2 avoided due to climate solutions activities 0 (Metric tonnes CO2 equivalent (MtCO2e)) Million
	Engagement for period 02/04/2025 to 28/02/2026 Number of companies subject to engagement: 7 Request made 0 Acknowledged 6 Commitment to act 1 Interim/partial progress 0 Evidence 1	We report only the most recent milestone for each engagement and not every step that may have occurred during the period. Because we may have several engagements with companies, some of which may take place over many years, the number of milestones shown will not equal the number of companies we have engaged with.

What might pursuing the Sustainability Goal do to financial risk and returns?

Pursuing the Sustainability Goal involves choosing investments that contribute towards it and excluding others. In financial terms, that results in a different risk profile, which can have a positive or a negative effect on returns depending on what happens with the market.

Is pursuing the Sustainability Goal expected to result in material negative environmental or social outcomes?

The pursuit of the Sustainability Goal is not expected to result in material negative environmental or social outcomes.

More information

For more information on the sustainability and non-sustainability features of the fund, please visit www.mandg.co.uk/funds where you will find a copy of the fund's Prospectus, Instrument of Incorporation and the latest annual or interim Investment Report and Financial Statements. Please also refer to the fund's UK Key Investor Information Document (KIID) and glossary applicable to the share class you are considering investing in or obtain this through your financial adviser. Please note that financial terms such as costs and charges vary between share classes so it is important to be careful to read the correct KIID. The fund manager's sustainability reports will be published once available.

This fund is authorised in the UK and regulated by the Financial Conduct Authority. M&G Securities Limited is authorised in the UK and regulated by the Financial Conduct Authority.