

# Sustainability Product Report

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## M&G Climate Aware Multi Asset Fund

a sub-fund of M&G Investment Funds (4), managed by M&G Securities Limited

LEI Identifier 5493004JH8VRBPCP8118

This Sustainability Product Report covers the reporting period from 14 February 2025 to 13 February 2026, with key performance indicator (KPI) data presented as at 31 December 2025

### Sustainability Label

This product does not have a UK sustainable investment label.

Sustainable investment labels help investors find products that have a specific sustainability goal. While the fund makes certain ESG commitments it does not have a specific sustainability goal and its sustainability approach does not meet the label requirements.

### Investment Objective

The fund aims to provide a total return (capital growth plus income) of 4% to 8% per annum over any five-year period, net of the ongoing charges figure, while applying Environmental, Social and Governance ('ESG') Criteria, including Climate Aware Criteria.

There is no guarantee that the fund will achieve a positive return over five years or any other period and investors may not get back the original amount they invested.

### Sustainability Approach



The fund manager used a framework (called the ESG Criteria) to assess the ESG credentials of investments, including an assessment of the climate aware credentials of investments (Climate Aware Criteria). As at 31 December 2025, 93.1% of the fund's assets met those criteria. This included a 39.0% allocation to Climate Solutions companies and Environmental Themed Bonds (see Climate Solutions companies and Environmental Themed Bonds section below). The remaining assets of the fund included assets where it was not feasible to apply ESG Criteria. This included cash deposits and indirect exposures (such as derivatives).

The ESG Criteria and Climate Aware Criteria consist of several elements. Firstly, independent data is used to filter out companies that harm the environment or society (the exclusionary approach), then other criteria are used to select what Climate Aware Assets to include in the fund.



#### Exclusionary Approach

The fund limited the harm to the environment (including climate change) and society by excluding or restricting certain investments for the majority of the reporting period, and as at 31 December 2025 held 0% in excluded investments. Details of the investments that breached the exclusionary approach during the period are available in the Sustainability Metrics section below. Applying this approach reduced the pool of investments the fund manager could choose from. More details on fund exclusions and restrictions can be found on the next page.



#### ESG Criteria to select investments – Carbon intensity

The fund's weighted average carbon intensity (WACI) of the corporate holdings held by the fund was 41.5 tCO<sub>2</sub>e/£m sales and was lower than that of the index WACI of 156.2 tCO<sub>2</sub>e/£m sales. Carbon intensity is a term used to measure a company's carbon emissions. It helps determine the environmental impact of producing energy, manufacturing products, or running a business. The lower the carbon intensity number the better. The fund can invest in companies with high or low carbon emissions, but the overall WACI must be lower than the market WACI (represented by the MSCI ACWI index).

Carbon emissions (expressed in tonnes CO<sub>2</sub> per million pound of sales) fall into two 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.

### ESG Criteria to select government bonds - Government Climate Change Performance Index (CCPI)

The fund's weighted average CCPI Score of the Climate Aware government bonds held by the fund as at 31 December 2025 was 13.9, equivalent to a high ranking. The CCPI is an independent index that uses a standardised framework to compare the climate performance of countries. Countries can be ranked from very low to very high, the higher ranked countries being better climate change performers. The fund can invest in government bonds from countries that have a CCPI ranking from low to very high but the overall weighted average across the fund must be at least medium.



#### CCPI Rankings

High ranking – Countries ranked 4 – 15

Medium ranking – Countries ranked 16 – 34.

### ESG Criteria to select Climate Solutions companies and Environmental Themed Bonds

The fund held 39.0% in Climate Solutions companies and Environmental Themed Bonds as at 31 December 2025. Climate Solutions companies provide goods or services which help to decarbonise the global economy. Environmental Themed Bonds are issued by companies or governments to raise money to achieve specific pledges beneficial to the environment. At least 20% of the fund must be held in Climate Solutions companies or Environmental Themed Bonds.



## Exclusionary Approach

The fund manager excludes or restricts investment in companies that harm the environment (including climate change) and society. The fund manager uses data from independent data vendors such as MSCI and Bloomberg to filter out companies for exclusion, but this data is 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				Social				Governance	
<p>Thermal Coal Extraction</p> <p>0%</p>	<p>Oil and Gas Extraction</p> <p>0%*</p>	<p>Controversial Weapons</p> <p>0%</p>	<p>Defence and Other Weapons</p> <p>5%</p>	<p>Tobacco</p> <p>0% Producers 10% Distributors</p>	<p>Social Progress Index</p> <p>Tier 5 or below+</p>	<p>Sovereign Good Governance</p> <p>Sovereigns / countries that flag as non-cooperative tax jurisdictions, subject to UN or EU Sanctions; politically unstable or corrupt.</p>	<p>Corporate Good Governance</p> <p>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).</p>		
<p>Carbon intensive power generation</p> <p>5%*</p>	<p>Climate Change Performance Index (CCPI)</p> <p>Very Low ranking</p>	<p>Alcohol for Consumption</p> <p>0% Producers</p>	<p>XXX</p> <p>Adult Entertainment</p> <p>0% Producing, Directing or Publishing</p>	<p>Gambling</p> <p>0% Providers</p>					

All percentages stated are the maximum revenue threshold that a company is permitted to have to 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.

+ The Social Progress Index is an independent index prepared by The Social Progress Imperative which evaluates and ranks countries based on social and environmental indicators using a rigorous framework. Countries are ranked from Tier 1 (Very High Social Progress) to Tier 6 (Very Low Social Progress).

Government Bonds issued by countries with a ranking of Tier 5 (Low Social Progress) or below are excluded. For more information visit [www.socialprogress.org](http://www.socialprogress.org).

## Sustainability Metrics





Key performance indicator (KPI) data as at 31 December 2025 show that the fund achieved all of its sustainability criteria.

For the KPI showing the percentage of the fund held in excluded investments, the fund held 0% in these as at 31 December 2025. However, during the period there were two inadvertent breaches.

During the reporting period, however, there were two breaches that could not reasonably have been prevented (inadvertent).

The first inadvertent breach arose following the mandatory spin-out of Magnum Ice Cream from Unilever, which resulted in the creation of a new standalone company. As a newly established standalone entity, Magnum Ice Cream was not assessed by MSCI for climate change metrics and was also not covered by MSCI ESG Business Involvement Screening Research (BISR). As a result, the holding no longer met the fund's eligibility criteria and was therefore excluded. The position was sold as soon as practicable to restore compliance.

The second inadvertent breach relates to a holding in Home REIT, which is currently in a managed wind-down and no longer has an MSCI ESG rating. As such, it does not support the fund's climate change mitigation objective. The fund's shares in Home REIT are currently suspended from trading so the fund is temporarily unable to sell the holding. The position continues to be monitored and will be exited when trading resumes or disposal otherwise becomes possible.

Sustainability Metric (KPI)	Outcome as at 31 December 2025	Sustainability criteria achieved?
 <p>% of the fund held in Climate Aware Assets. The value must be at least 70%.</p>	93.1%	✓
 <p>% of the fund held in excluded investments. To meet the Exclusionary Approach this must be 0%.</p>	0% (see commentary above in relation to breaches during the reporting period)	✓ (achieved as at 31 December 2025 and for the majority of the reporting period)
 <p>The weighted average carbon intensity (WACI) of the fund must be lower than the index (represented by the MSCI ACWI index). WACI is calculated using the overall carbon emissions of each company based on its reported Scope 1 and Scope 2 emissions. When a fund invests in green bonds, WACI captures issuer level emissions and is not adjusted to reflect the emissions attributable to the green project the bond is funding, which will have a lower carbon impact than the issuer as a whole.</p>	Fund WACI: 41.5 Index WACI: 156.2	✓
 <p>Weighted average CCPI Score of the Climate Aware government bonds held by the fund must be at least medium. CCPI Rankings High ranking – Countries ranked 4 – 15 Medium ranking – Countries ranked 16 – 34.</p>	Fund score 13.9 Equivalent to a high ranking	✓
 <p>% of the fund held in Climate Solutions and Environmental Themed Bonds. The value must be at least 20%.</p>	39.0%	✓

### No Material Deviations

M&G Securities Limited's approach to governing and managing sustainability-related risks and opportunities in relation to this fund does not materially deviate from the approach applied at entity level as disclosed in the Governance and Risk management sections of the sustainability entity report ([magim-sustainability-entity-report.pdf](#)).

The fund also applies the baseline commitments on controversial weapons, thermal coal and global norms as outlined in the Strategy section of the sustainability entity report. Fund level commitments are covered within the Sustainability Approach section of this product report.

### More Information

For more information on the sustainability and non-sustainability features of the fund, please visit [www.mandg.co.uk/funds](http://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), Consumer-Facing Disclosure (CFD), and glossary applicable to the share class you are considering investing in or obtain this through your financial adviser.

The KIID and CFD are available on our website at <https://www.mandg.com/investments/professional-investor/en-gb/funds/mg-climate-aware-multi-asset-fund/gb00bhr41h73#documents>

The fund's Task Force on Climate-Related Financial Disclosures (TCFD) Product Report forms part of this sustainability report with respect to climate-related disclosure, including information on data integrity (data coverage, data gaps and data quality). It is available at <https://www.mandg.com/dam/investments/common/gb/en/documents/funds-literature/tcfd-product-reports/mandg-climate-aware-multi-asset-fund-masa-tcfd-report.pdf>

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.

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.

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