For professional investors only.

M&G Global Sustain Paris Aligned Fund

M&G Investments

A core global equity strategy with a sustainability focus

The M&G Global Sustain Paris Aligned Fund is a long-term, quality-focused strategy that seeks to manage risk and deliver steady returns, while investing in companies that contribute towards the Paris Agreement climate change goal.

Sustainability Improvers

This product holds the 'Sustainability Improvers' label. Sustainable investment labels help investors find products that have a specific sustainability goal. Sustainability Improvers funds invest mainly in assets that may not be sustainable now, with an aim to improve their sustainability for people or the planet over time. For more information, please read the Consumer-Facing Disclosure.

How is the fund Paris Aligned?

The fund aims to align with the goals of the Paris Agreement by investing predominantly in companies that are progressing towards net zero. We assess each investee company's potential to improve its environmental sustainability over time, and ultimately reach net zero, based on factors such as public commitments to decarbonisation, decarbonisation targets, the disclosure of emissions data, and current emissions levels.

The fund also invests in 'Lower carbon intensity' companies, which have a carbon intensity that is less than 50% of the investment universe (assessed using the fund's benchmark, the MSCI World Index, as a proxy for the global equity market), and climate solutions companies, whose products or services can help to reduce or mitigate the effects of other companies' emissions.

We use investee engagement to support the mitigation of climate change and contribute towards the aims of the Paris Agreement, on topics including emission reduction ambitions and the setting of science-based targets.

The views expressed in this document should not be taken as a recommendation, advice or forecast.

Reasons to invest in this fund

Strong risk management

- Holistic risk management framework aims to keep volatility broadly in line with the global stock market.
- Invests in quality businesses that are expected to show resilience through different market cycles.

Well-resourced, consistent process

- The fund manager has been investing in global equities for more than 20 years.
- A team of embedded analysts carry out stock research, focusing on the quality of the business model, valuations and sustainability credentials.

Strong sustainability focus

- Invests in companies contributing to the goals of the Paris Agreement, and broader 'do no significant harm' sustainability principles.
- Actively engages with investee companies to support decarbonisation efforts.

Fund snapshot

99%

Absolute emissions covered by science-based targets

-53%

Weighted Average Carbon Intensity versus benchmark

Source: MSCI ESG Carbon Footprint Calculator (WACI), holdings as at 28 February 2025. Science-based targets and absolute emissions, holdings as at 28 February 2025.

The fund's place in client portfolios

In our opinion, the fund could be a good option for client portfolios targeting positive long-term returns through quality global companies that are resilient through the economic cycle. The fund focuses on companies that contribute towards the Paris Agreement climate change goals, ensuring that ESG risks are mitigated as much as possible. With a strong focus on portfolio risk management, valuation discipline and a preference for quality, durable business models, the fund seeks to deliver strong returns while keeping volatility in line with the broader global equity market.

Holistic risk management

Our risk management framework seeks to deliver a level of volatility similar to the benchmark while still pursuing alpha. Our focus is on the 'real' fundamental risks of companies – their business and financial risks, and the risks that may emerge when these companies are combined in a portfolio. Position sizes are based primarily on our assessment of risk, rather than 'conviction'.

We prioritise fundamental diversification, across regions, sectors, maturities of business model and end-markets. Investees are categorised as:

- **Stable growth** – companies with a strong competitive edge and a proven track record of producing stable earnings at stable or increasing returns on capital
- **Opportunities** – which sit in corners of the market where business risk is considered higher, but stocks can offer significant upside potential.

Key fund facts

Fund AUM:
£726m

Inception date:
19.12.67*

Benchmark:
MSCI World Index

ISIN:
GB0030938038

Management fee:
1.10%

As at 28 February 2025. Please note that not all costs are disclosed here. Please refer to the fund's Prospectus for detailed information.

*The fund changed its name, investment objective and investment strategy – as reflected in the Objective and Investment Policy sections of the fund prospectus – on 31 August 2021. Prior to this date, the fund was named M&G Global Select Fund.

Key fund risks

The main risks that could affect performance are set out below:

- 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.
- Investing in emerging markets involves a greater risk of loss due to greater political, tax, economic, foreign exchange, liquidity and regulatory risks, among other factors. There may be difficulties in buying, selling, safekeeping or valuing investments in such countries.

Further details of the risks that apply to the fund can be found in the fund's Prospectus.

Other important information

- 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.
- The fund may be very concentrated at times which could result in greater fluctuations in the fund's short-term performance.

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