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# Global ESG Themes Model Portfolio Service Value Assessment

## Overview from the Board of M&G Wealth Investments LLP

This report is designed to help you to see whether the M&G Global ESG Themes Model Portfolio Service is delivering value for its customers. We, the Board of M&G Wealth Investments LLP (MGWI), have evaluated the value provided to you by the model portfolio services according to a range of criteria, including the quality of service you receive, whether services are competitively priced and, of course, long-term investment performance. You can read about these criteria over the coming pages.

We hope this report provides advisers and end-customers with clarity, transparency and confidence in the value they receive. Please feel free to contact us with any feedback on this report at [mpsinfo@mandg.com](mailto:mpsinfo@mandg.com)

### Summary of Findings

This Value Assessment covers the 12 months up to 31 December 2024. After careful consideration, we find that M&G's Global ESG Themes model portfolio service has delivered value to investors in this period. The service is regarded as offering value where the overall rating is either 'satisfactory', 'good' or 'outstanding'.

The overall ratings are:

Portfolio	Overall
Global ESG Themes 1	2 Good
Global ESG Themes 2	2 Good
Global ESG Themes 3	2 Good
Global ESG Themes 4	2 Good
Global ESG Themes 5	2 Good

## How we assess value

We have developed our own methodology for each of the criteria, based on objective analysis of what we consider to be the most relevant metrics of value. We have used a combination of external and internal information in the process. The 'scores' awarded for each category determine an overall rating for the service. The criteria do not carry equal importance. More weight has been attached to investment performance, based on what end-customers have told our parent company, M&G plc, in customer testing and surveys.

Please note that the views expressed in this report should not be taken as a recommendation or advice on how the service or any holding mentioned in the report is likely to perform. Please note that the latest information on model portfolio performance is available in the factsheets on the M&G MPS website, [here](#).

### Investment Performance

- We measure investment performance against its benchmark, to evaluate whether value has been delivered over an appropriate time period.

### Quality of Services

We evaluate the quality of each service delivered to our customers. These are broadly grouped into the following:

- **Investment services**
- **Assistance with adviser suitability processes and customer understanding**
- **Information on financial markets to help advisers stay informed**

### Costs

- We evaluate:
  - **Discretionary management fees**
  - **Controls on the costs of the underlying funds used in the service**
  - **The FCA COLL Value Assessments of the UK listed funds used in the service**

## Our value rating scale

Throughout this report, we have summarised our conclusions according to the following five-point scale. This reflects an underlying score that has been awarded to the service for each of the criteria. These are combined to create an overall rating for the service.

1. **Outstanding:** Where the service has delivered exceptional value to its customers.
2. **Good:** Where the service has delivered above-average value to its customers.
3. **Satisfactory:** Where the service has delivered value to its customers overall, with only minor exceptions if any.
4. **Must improve:** Where the service has not delivered value to all of its customers, falling short of expectations in certain areas, and where the Board is paying close scrutiny.
5. **Unsatisfactory:** Where the service has not delivered value to all of its customers, and where the Board has determined that steps must be taken by M&G Wealth to improve value.

We may also conclude that it is not possible to assign a rating, due to not having sufficient data available. For example, there could be insufficient data to evaluate the performance of a model portfolio.

## Performance

The objective of the portfolios is to grow the capital value of the portfolio. The portfolios invest in different asset classes, such as bonds, equities, alternatives and cash to achieve the objective. This approach is designed to help customers with their long-term financial goals, such as saving for retirement, education or a property purchase. The customer owns the individual funds that make up the portfolio.

As part of the process to review and agree the asset allocation, M&G Wealth Investments considers whether model portfolios are likely to deliver the investment objective, after all fees are paid by an end customer.

The performance of the portfolios is evaluated by looking at the total return over a 5-year time horizon relative to the comparator benchmark. As the portfolios have less than 5 years of performance history, no rating has been set. Based on the available data, we believe the portfolios are capable of achieving their investment objectives.

### Performance to 31 December 2024

Portfolio	Comparator Benchmark	Rating	Portfolio Performance			Performance Relative to Comparator Benchmark		
			1 Year	3 Year	5 Year	1 Year	3 Year	5 Year
Global ESG Themes 1	IA Mixed Investment 0-35% Shares Sector	N/A	4.15	N/A	N/A	-0.27	N/A	N/A
Global ESG Themes 2	IA Mixed Investment 20-60% Shares Sector	N/A	5.08	N/A	N/A	-0.99	N/A	N/A
Global ESG Themes 3	IA Mixed Investment 20-60% Shares Sector	N/A	5.50	N/A	N/A	-0.57	N/A	N/A
Global ESG Themes 4	IA Mixed Investment 40-85% Shares Sector	N/A	6.13	N/A	N/A	-2.85	N/A	N/A
Global ESG Themes 5	IA Mixed Investment 40-85% Shares Sector	N/A	6.57	N/A	N/A	-2.41	N/A	N/A

#### Key

1 Outstanding
 2 Good
 3 Satisfactory
 4 Must improve
 5 Unsatisfactory
  N/A

Source: FE Analytics, as at 31 December 2024. While M&G Wealth Investments LLP has taken reasonable steps in the preparation of the performance figures, we can't accept responsibility for any errors, omissions, or actions taken based on the information. The performance figures are calculated in FE Fundinfo based on a standard model and may not reflect the performance of individual customer portfolios. The calculation includes all underlying fund charges and investment management fees. The platform, wrapper and advice fees are excluded. The benchmark IA sectors index represents the average returns of a wide range of mixed asset funds, with broadly similar equity content.

Past performance is not a guide to future performance. Investing comes with risk. The value of investments can go down as well as up and customers may not get back what they put in.

## Service

Based on internal reviews and adviser feedback, the quality of the service met expectations, so the rating is:

**2** Good

The key areas of noted in our internal review and from adviser feedback were:

Advisers gave positive feedback on the service, including the marketing materials provided and portfolio updates. The models were frequently reviewed and adjusted as needed. There were no trading errors during the year. M&G Wealth Investments LLP received a 5-star rating in the Discretionary Fund Manager category at the 2024 Financial Adviser Service Awards.

## Costs

The cost rating is:

**1** Outstanding

The service's discretionary management fee is 0.15% pa. The average charge for competitors' services was 0.27% pa.

The competitor peer group and average charge was determined and calculated using data from Defaqto Matrix, as at 7 October 2024. The calculations do not consider whether VAT is charged.

As part of the investment framework, M&G Wealth Investments considers the OCFs of underlying funds and FCA COLL Value Assessments (where available) in its research and portfolio construction processes.

# Overall

## Conclusions from the Value Assessment

We conclude that the service has delivered value to end customers over the review period. We find that value has been achieved across all criteria.

As there is insufficient performance data to assign a rating, the overall result is based on the service and cost.

Portfolio	Overall	Performance	Service	Costs
Global ESG Themes 1	2	N/A	2	1
Global ESG Themes 2	2	N/A	2	1
Global ESG Themes 3	2	N/A	2	1
Global ESG Themes 4	2	N/A	2	1
Global ESG Themes 5	2	N/A	2	1

### Key

1 Outstanding   2 Good   3 Satisfactory   4 Must improve   5 Unsatisfactory    N/A

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