

# M&G Global Listed Infrastructure Fund - Sterling Class I

Monthly Fund Review as at 31 October 2018

For investment professionals only



## Highlights

- Equity markets sold off aggressively in October, driven by global growth concerns, enabling the strategy to showcase its acute resilience by offering almost 600 basis points of downside protection versus the sector.
- The portfolio performed as it is designed to, with the social and economic infrastructure holdings contributing most, while stocks in the more cyclical evolving segment were largely weaker.
- We sold CK Infrastructure, the Hong Kong infrastructure conglomerate

## Risks associated with this fund

For any past performance shown, please note that past performance is not a guide to future performance.

The value of investments and the income from them will rise and fall. This will cause the fund price, as well as any income paid by the fund, to fall as well as rise. There is no guarantee the fund will achieve its objective, and you may not get back the amount you originally invested.

Changes in currency exchange rates will affect the value of your investment.

The fund holds a relatively small number of investments and, as a result, may experience larger price rises and falls than a fund which holds a larger number of investments.

The fund will invest in emerging markets which are generally more sensitive to economic and political factors, and where investments are less easily bought and sold. In exceptional circumstances, the fund may encounter difficulties when selling or collecting income from these investments, which could cause the fund to incur a loss. In extreme circumstances, it could lead to the temporary suspension of dealing in shares in the fund.

Further risk factors that apply to the fund can be found in the fund's Key Investor Information Document (KIID).

## Single year performance (5 years)

	2017	2016	2015	2014	2013
Sterling I Acc	N/A%	N/A%	N/A%	N/A%	N/A%

## Performance since launch



## Fund performance

	1 month (%)	3 months (%)	YTD (%)	1 year (%)	3 years (%) p.a.	5 years (%) p.a.	Manager tenure (%) p.a.	Since launch (%) p.a.
Fund	-0.6	-1.1	+2.7	+2.5	N/A	N/A	+1.9	+1.9
Index	-5.6	-3.8	+2.1	+3.9	+15.4	+11.7	+3.8	+3.8
Sector	-6.5	-5.3	-0.4	+1.1	+12.6	+9.7	+1.7	+1.7
Ranking	6/298	19/297	60/289	104/286	N/A	N/A	148/281	148/281
Quartile ranking	1	1	1	2	N/A	N/A	3	3

Past performance is not a guide to future performance.

## 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.

## Key information

<b>Fund manager</b>	Alex Araujo
<b>Fund manager tenure from</b>	5 October 2017
<b>Deputy fund manager</b>	John Weavers
<b>Launch date</b>	5 October 2017
<b>Launch of share class</b>	5 October 2017
<b>Fund size (millions)</b>	£18.72
<b>Fund type</b>	OEIC, incorporated in the UK
<b>Comparative index</b>	MSCI ACWI Index
<b>Comparative sector</b>	IA Global sector
<b>Number of companies</b>	41
<b>Portfolio turnover over 12 months</b>	51.8%
<b>Share type</b>	Acc & Inc
<b>Payment dates</b>	Feb, May, Aug, Nov
<b>Ex-dividend dates</b>	Jan, Apr, Jul, Oct
<b>Ongoing charge</b>	1.10%

## Fund ratings

RSM rating yes

Source: RSM, as at 31 October 2018.

Ratings should not be taken as a recommendation.

## Industry breakdown (%)

	Fund
Utilities	27.3
Energy	19.7
Transport	18.1
Communications	12.0
Royalty	7.6
Transactional	4.2
Education	4.0
Health	2.0
Other	3.4
Cash and near cash	1.8

## Largest holdings (%)

	Fund	Index	Relative weight
Edison International	4.6	0.1	4.6
Orsted	4.5	0.0	4.5
Franco-Nevada	4.1	0.0	4.1
Enel	3.9	0.1	3.8
Vinci	3.8	0.1	3.7
Gibson Energy	3.8	0.0	3.8
Prairiesky Royalty	3.5	0.0	3.5
Enbridge Inc	3.4	0.1	3.3
Unite Group	3.4	0.0	3.4
TransCanada Corp	3.4	0.1	3.3

## Country breakdown (%)

	Fund	Index	Relative weight
US	40.3	55.9	-15.6
Canada	13.8	3.0	10.8
UK	12.5	5.4	7.1
Italy	4.8	0.7	4.1
Spain	4.7	0.9	3.8
Australia	4.5	2.1	2.4
Denmark	4.5	0.5	4.0
France	3.8	3.3	0.6
Other	9.2	28.2	-19.0
Cash	1.8	0.0	1.8

## Capitalisation breakdown (%)

	Fund	Index	Relative weight
Mega cap (> \$50bn)	16.5	52.4	-35.9
Large cap (\$10 - \$50bn)	49.5	36.8	12.7
Mid cap (\$2 - \$10bn)	29.4	10.5	18.8
Small cap (< \$2bn)	2.9	0.2	2.6
Cash	1.8	0.0	1.8

## Currency breakdown (%)

	Fund
US dollar	40.4
Euro	16.3
British pound	14.2
Canadian dollar	13.8
Australian dollar	4.5
Danish krone	4.5
Hong Kong dollar	2.0
Singapore dollar	1.7
Brazilian real	1.6
Other	1.0

## Key changes

We completed the sale of CK Infrastructure, the Hong Kong infrastructure conglomerate, reflecting our desire to reduce exposure to regional regulatory risk and our weakening confidence in the company's capital allocation.

We used the funds from this sale to add to CCR following engagements with the management team that have provided us confidence that the company is managing issues surrounding allegations of impropriety effectively and has the appropriate procedures in place to prevent and address such issues. Our decision to do this was rewarded by the considerable return delivered by the stock over the course of the month.

As there was one sale and no new purchases, the number of holdings fell to 41. The weighting in the 'economic' infrastructure class stands at 65%, the weighting of the 'social' sphere 9%, and the weighting of the 'evolving' segment 24%.

## Dividend announcements

There were three dividend increases in the month. Transactional infrastructure business Visa hiked its dividend for the second time this year, taking its overall year-on-year increase to 28%. ONEOK, the North American energy infrastructure company, increased its payment for the fourth time, bringing its year-on-year increase to 15%. Wireless communications towers business Crown Castle raised its dividend by a healthy 7%.

## Fund codes and charges

Share class	ISIN	Bloomberg	Annual management charge	Ongoing charge	Minimum initial investment	Minimum top up investment
Sterling A Acc	GB00BF00RC53	MGLIGAA LN	0.95%	1.30% *	£ 500	£ 100
Sterling A Inc	GB00BF00RB47	MGLIGAI LN	0.95%	1.30% *	£ 500	£ 100
Sterling I Acc	GB00BF00R928	MGLIGIA LN	0.75%	1.10% *	£ 500,000	£ 10,000
Sterling I Inc	GB00BF00R811	MGLIGII LN	0.75%	1.10% *	£ 500,000	£ 10,000
Sterling L Acc	GB00BF00R696	MGLIGLA LN	0.50%	0.85% *	£ 20,000,000	£ 50,000
Sterling L Inc	GB00BF00R704	MGLIGLI LN	0.50%	0.85% *	£ 20,000,000	£ 50,000

The ongoing charge figures disclosed above include direct costs to the fund, such as the annual management charge (AMC), administration charge and custodian charge, but do not include portfolio transaction costs. They are based on expenses for the period ending 10 April 2018.

\* The ongoing charge figure shown here is an estimate. The fund's annual report for each financial year will include details of the exact charges made.

## Important information

Cash and near cash may be held on deposit and/or in the Northern Trust Cash Funds (a range of collective investment schemes) and/or in short-dated government bonds.

Source of performance data: Morningstar, Inc., as at 31 October 2018, Sterling Class I shares, income reinvested, price to price basis. Past performance is not a guide to future performance. All other statistics from M&G internal sources, as at 31 October 2018 unless indicated otherwise.

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