M&G (Lux) Global Listed Infrastructure Fund
Euro Class C – Accumulation shares

Monthly Fund Review as at 31 January 2021

For investment professionals only

Highlights

- The fund performed in line with the MSCI ACWI Net Index in euros but underperformed in US dollars.
- Transportation infrastructure stocks drifted lower after their strong rally in the value rotation. NextEra Energy Partners benefited from optimism about increased renewables spending in the US, while Naturgy Energy shares jumped after an institutional investor offered to pay a 20% premium for a stake in the company.
- NextEra Energy Partners raised its dividend by around 15% year-on-year in utilities, while ONEOK and Keyera continued to pay dividends in energy infrastructure. There were no dividend cuts.

The main risks associated with this fund

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

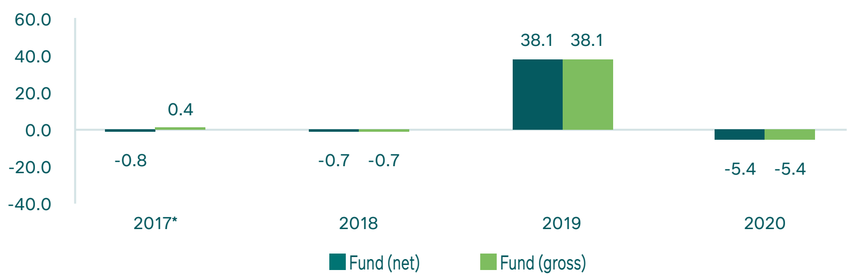
The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

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.

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

Single year performance (%)



*from inception (05/10/2017 to 31/12/17)

Past performance is not a guide to future performance.

Gross = performance after fees but **before** any entry charge is taken into account.

Net = performance after fees but **after** any entry charge has been taken into account.

The maximum allowable entry charge of 1,25% (i.e. €12,50 for an investment of €1000) is deducted in the first investment year. This means the gross/net figures differ solely in that year. Other charges may reduce performance.

Performance since launch

Fund performance

	1 month (%)	3 months (%)	YTD (%)	1 year (%)	3 years (%) p.a.	5 years (%) p.a.
Euro C Accumulation	0,4%	9,0%	0,4%	-9,3%	10,5%	-
Benchmark	0,3%	12,2%	0,3%	6,7%	9,0%	-
Sector	0,0%	8,3%	0,0%	-7,5%	4,0%	-

Past performance is not a guide to future performance.

The benchmark is a comparator against which the fund's performance can be measured. It is a net return index which includes dividends after the deduction of withholding taxes. The index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

The fund is actively managed. The investment manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents.

The performance shown in the chart and table above does not take entry charges into account.

Key information

Fund manager(s)	Alex Araujo
Fund manager tenure from	05 October 2017
Deputy fund manager(s)	John Weavers
ISIN	LU1665237969
Launch date of fund	05 October 2017
Launch of share class	05 October 2017
Fund size (millions)	€ 386,61
Fund type	SICAV
Benchmark	MSCI ACWI Net Return Index
Sector	Morningstar Sector Equity Infrastructure sector
Number of companies	47
Portfolio turnover over 12 months	41,42%
VaR	17,58%

Charges

Maximum entry charge	1,25%
Ongoing charge	1,01%

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.

Performance is stated in the share class currency, which may differ from your domestic currency. As a result, the return may rise or fall due to currency movements.

Fund ratings

Overall Morningstar rating	★★★★

Source of Morningstar ratings: Morningstar, as at 31 January 2021

Ratings should not be taken as a recommendation.

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Benchmark is Gross Return prior to 01 October 2018 and Net Return after this date.

Source: Morningstar, Inc and M&G, as at 31 January 2021. Returns are calculated on a price to price basis with income reinvested. Benchmark returns stated in EUR terms.

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Country breakdown (%)

	Fund	Index	Relative weight
US	34,8	56,6	-21,8
UK	13,4	3,8	9,6
Canada	12,8	2,5	10,3
Italy	7,5	0,5	7,0
Australia	4,9	2,0	2,9
Spain	4,3	0,6	3,6
Guernsey	4,1	0,0	4,1
Germany	3,0	2,5	0,5
Other	14,1	31,5	-17,4
Cash	1,2	0,0	1,2

Industry breakdown (%)

	Fund
Utilities	34,3
Transport	17,9
Communications	14,7
Social	11,1
Energy	10,2
Transactional	6,0
Royalty	4,5
Cash	1,2

Capitalisation breakdown (%)

	Fund	Index	Relative weight
Mega cap (> $50bn)	25,5	61,4	-35,9
Large cap ($10 - $50bn)	35,7	32,0	3,6
Mid cap ($2 - $10bn)	27,4	6,5	20,8
Small cap (< $2bn)	10,3	0,0	10,3
Cash	1,2	0,0	1,2

Largest holdings (%)

	Fund	Index	Relative weight
Coresite Realty	3,8	0,0	3,8
Transcanada Corp	3,5	0,1	3,5
Enel	3,5	0,1	3,4
Sdcl Energy Efficiency Income Trust	3,4	0,0	3,4
Transurban Group	3,4	0,0	3,3
Crown Castle International	3,3	0,1	3,2
E.ON	3,0	0,0	3,0
Contourglobal	2,9	0,0	2,9
Gibson Energy	2,6	0,0	2,6
Vinci	2,5	0,1	2,4

Currency breakdown (%)

	Fund
US dollar	39,4
Euro	18,6
British pound	17,5
Canadian dollar	9,0
Australian dollar	4,9
Hong Kong dollar	3,5
Singapore dollar	2,2
Brazilian real	2,0
Swiss franc	1,5
Other	1,4

Commentary

Global equities started the new calendar year with mixed results, as the developed markets of the US, Japan and Europe fell from their recent peaks, in contrast to Asia Pacific ex Japan and emerging markets, which continued their upward momentum.
Energy was the standout sector with a positive return in a lacklustre market.
The fund performed in line with the MSCI ACWI Net Index in euros but underperformed in US dollars.
Transportation stocks featured prominently among the laggards as our holdings gave back some of their recent gains. Ferrovial, which owns and operates toll roads and airports around the world, led the detractors. Vinci, the owner/operator of a similar collection of high quality assets, also underperformed. Sydney Airport's share price followed a similar pattern. CCR, the toll road operator, drifted lower in a weak Brazilian market.
All four transportation stocks performed strongly in the value rotation as news of effective vaccines brought hope of a world returning to normal. These companies remain well placed for an economic recovery, in our view. We continue to have conviction in these core holdings as owners and operators of strategic assets.
The underperformance of the utilities sector took its toll on China Gas Holdings (Hong Kong), ContourGlobal (UK) and Edison International (US). For us, the long-term investment case for these companies remains unchanged.
Visa and Mastercard led the detractors in 'evolving' infrastructure, despite both companies reporting better-than-expected results. We consider the growth opportunity for digital payments as remaining stronger than ever. We believe that the structural shift away from cash transactions to digital and card payments has not only remained intact, but may even accelerate due to permanent changes in consumer behaviour following life in lockdown.
NextEra Energy Partners raised its dividend by around 15% year-on-year in utilities, while ONEOK and Keyera continued to pay dividends in energy infrastructure. There were no dividend cuts. NextEra Energy Partners and Naturgy Energy bucked the trend in utilities and added the most value.
Shares of NextEra Energy Partners rose more than 20% and reached an all-time high. The US utility with a clear focus on clean energy benefited from optimism about increased spending on renewables under Joe Biden's presidency, given his commitment to 'to build a modern, sustainable infrastructure and an equitable clean energy future'. The company also reported a solid set of full-year results and remains on track to deliver long-term growth.
Naturgy Energy also delivered a double-digit return after IFM Global Infrastructure Fund, which is owned by Australian pension funds, offered to pay a 20% premium for a 23% stake in the company. Naturgy is a world leader in liquefied natural gas (LNG). We believe that this is a symbolic event, which highlights the latent value in natural gas assets, as well as the importance of natural gas in the energy transition.
Energy infrastructure was also notable for its strong performance. TC Energy, Keyera, ONEOK and Enbridge all made positive contributions. We strongly believe that our midstream holdings, which own and operate pipelines, storage terminals and processing facilities, offer attractive long-term prospects, driven by their exposure to some of the most prolific basins in North America.
CoreSite, the data centre company, was the standout performer in 'evolving' infrastructure, as the shares climbed to a record high. The US company remains a top 10 holding. Its peer Equinix also added value.

Dividend announcements
In an uncertain environment for dividends, NextEra Energy Partners continued to deliver reliable growth in utilities. The US renewable energy company announced a dividend which was about 4% higher than the previous quarter and around 15% higher than the same period last year. The company benefits from exposure to long-term contracted revenues and remains on track to deliver on its long-term dividend growth objective.
Elsewhere, ONEOK and Keyera continued to pay dividends in energy infrastructure. Both stocks remained attractively valued in our opinion, on dividend yields of around 9% and 8%, respectively.
There were no dividend cuts. We remain vigilant about the dividend environment and the reality that dividends will continue to be tested. Being selective will be paramount.
We continue to believe that the majority of our holdings can sustain dividend growth in the core 5-10% range over the long term and that the fund is well placed to deliver on its objective of providing a rising income stream.

Key changes

There were no new purchases or complete sales, but we took advantage of the weakness in some of our holdings in 'evolving' infrastructure to increase exposure.

Fund codes and charges

Share class	ISIN	Bloomberg	WKN code	Share class launch date	Ongoing charge	Historic yield	Minimum initial investment	Minimum top up investment
Euro A Acc	LU1665237704	MGLIEAA LX	A2DXT8	05/10/2017	2,01%*	-	€1.000	€75
Euro A Inc	LU1665237613	MGLIEAD LX	A2DXT7	05/10/2017	2,01%*	3,21%	€1.000	€75
Euro C Acc	LU1665237969	MGLIECA LX	A2DXUA	05/10/2017	1,01%*	-	€500.000	€50.000
Euro C Inc	LU1665237886	MGLIECD LX	A2DXT9	05/10/2017	1,01%*	3,20%	€500.000	€50.000
Euro CI Acc	LU1665238009	MGLECIA LX	A2DXUB	05/10/2017	0,97%*	-	€500.000	€50.000
Euro L Acc	LU1665238181	MGLIELA LX	A2DXUC	05/10/2017	0,76%*	-	€20.000.000	€50.000

The above ongoing charge figure is an estimate of the charges because of a change to the charging structure with effect from 1st October 2020.
The ongoing charge figure may vary from year to year and excludes portfolio transaction costs. The audit fees and custody transaction charges are borne by M&G until the fund size increases to above 200 million euros. The fund's annual report for each financial year will include details on the exact charges made. Any ongoing charge figure with * indicates an estimate. The fund's annual report for each financial year will include details of the exact charges.
Please note that not all of the share classes listed above might be available in your country.
Please see the Important Information for Investors document and the relevant Key Investor Information Document for more information on the risks associated with this fund and which share classes are available for which product and which investor type.

Sustainable funds

Funds where the investment universe is driven by sustainability-themed considerations; our sustainable funds may contain an impact element.

Approach to responsible investment

	Yes	No	N/A
ESG integration	✓		
Additional ESG specifications	✓		
Impact	✓		
Sustainable	✓		
Exclusions	✓		
Cluster munitions & anti personnel landmines	✓		
Other exclusions or restrictions	✓		
Voting	✓		
Engagement	✓		

Please see glossary for further explanation of these terms.

*Other exclusions or restrictions

This fund excludes:

- Adult entertainment
- Alcohol
- Controversial weapons
- Power generation – nuclear
- Tobacco
- Thermal coal

*Thresholds may apply

ESG Range Glossary

Additional ESG specifications: In the context of M&G, these are funds managed with an explicit ESG objective, outcome or in accordance with specific ESG criteria, and will have a number of minimum exclusions in place.
Controversial weapons: refers to chemical and biological weapons, white phosphorus, weapons and armour made from depleted uranium, nuclear weapons and nuclear weapons outside the Nuclear Non-Proliferation Treaty.
Conventional oil and gas: conventional oil and gas production – deepwater, shallow water and other onshore/offshore.
Engagement: interaction with company management on various financial and non-financial, including ESG, issues. Engagement allows investors to better understand how a company is undertaking its operations and how it is interacting with its stakeholders, as well as advising on and influencing company behaviour and disclosures where appropriate.
ESG integration: describes the explicit and systematic inclusion of Environmental, Social and Governance factors in investment analysis and investment decisions. It underpins a responsible investment approach, and allows investors to better manage risk and generate sustainable, long-term returns.
Exclusions: the exclusion or restriction of investments based on the sector in which they operate or for other specific criteria, i.e. they are deemed to be in breach of the United Nations Global Compact principles on human rights, labour the environment and anti-corruption.
GMO: genetically modified crops.
Impact: investment with the purpose of generating a measurable social or environmental return, alongside a financial return.
Sustainable: one or more components may apply: The investment universe is driven by sustainability-themed considerations, which might include climate change mitigation, pollution prevention, sustainability solutions (environmental, social) and approaches that address one or more of the UN Sustainable Development Goals (SDGs); there is a clear ambition, supported by explicit targets, to drive sustainability across the portfolio; an investment approach that selects companies/issuers with strong ESG credentials.
Tobacco: understood as those companies whose business models are based on the production, trading and distribution of tobacco.
Unconventional oil and gas: oil sands (production), shale oil, shale gas and arctic drilling.
Voting: as the partial owners of a company, shareholders have the right to vote on resolutions put forward at a company's annual general meeting. These resolutions include the re-election of directors, executive remuneration and business strategy, among others, and may include resolutions put forward by shareholders.
Weapons: refers to systems, components, and support systems and services.

Important information

The M&G (Lux) Global Listed Infrastructure Fund is a sub-fund of M&G (Lux) Investment Funds 1.

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English copies of the Instrument of Incorporation, Prospectus, annual or interim Investment Report and Financial Statements, plus the Prospectus and Key Investor Information Document/s in German, are available free of charge in paper form from M&G International Investments S.A., German branch, mainBuilding, Taunusanlage 19, 60325 Frankfurt am Main and from www.mandg.de.

Before subscribing investors should read the Prospectus, which includes a description of the investment risks relating to these funds.

This financial promotion is issued by M&G International Investments S.A. Registered Office: 16, Boulevard Royal, L-2449, Luxembourg.

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