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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 and you may get back less than you originally invested. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested. The views expressed in this document should not be taken as a recommendation, advice or forecast. Past performance is not a guide to future performance.



## Fund Profile

# M&G Real Assets Fund (the "Fund")

Semi-liquid access to specialist funds and compelling co-investments

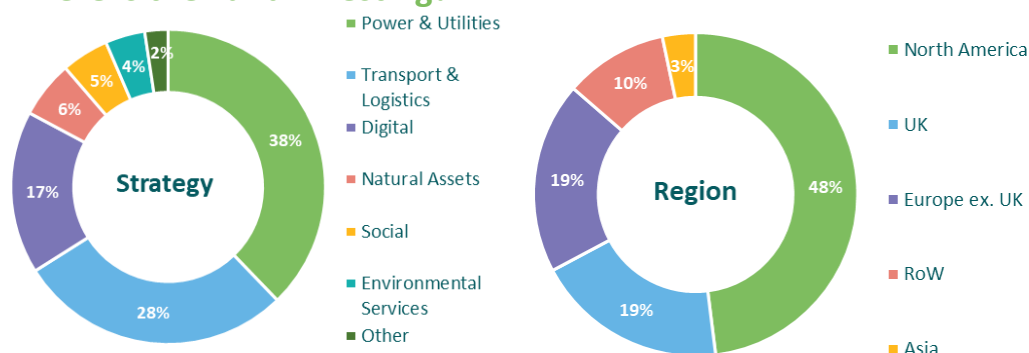
## Fund overview

- The Fund provides access to a c.\$2bn<sup>1</sup> mature and globally diversified portfolio of infrastructure funds and high conviction co-investment opportunities.
- Target returns of 9-11% net per annum with gross GBP returns of 13.3% (10 years) with single digit volatility.
- Lowly correlated to traditional public equity and fixed income market as well as other alternative asset classes such as private equity.

## Track Record (GBP gross returns)

	1 Year	3 Year	5 Year	10 Year
Gross Horizon IRR <sup>4</sup>	28.7%	13.1%	11.7%	13.3%
10 Year Correlation	Private Equity	MSCI World	IBOXX Corporates	
Real Assets	0.18	0.01	-0.35	

## Where is the Fund investing?<sup>2</sup>



## M&G's differentiated approach

- Focused on the **middle-market**. By taking a deep research driven approach and identifying areas where there is a scarcity of investment capital and clear barriers to entry we believe we can deliver a compelling risk adjusted return.
- **Downside protection** through the underlying assets which is further supported by the team's experience structuring investments in both equity and credit.
- By **investing at scale**, through a long-term patient pool of capital, the Fund benefits from favourable fees, access to scarce co-investment opportunities, enhanced governance rights, helping deliver greater performance potential.
- The M&G Real Asset Fund overcomes the historical structural challenges of accessing real assets, such as liquidity, NAV discounts and administrative burdens, whilst bringing to market a mature, diversified and established portfolio managed by a team with a proven **+10-year track record** of strong and consistent returns.

## Why now?

- The Fund's strategy is focused on supporting the delivery of **critical infrastructure** underpinning megatrends across energy transition, digitisation, and food & nature.
- **Significant growth** potential exists across these themes as the capital need outweighs the capital available, providing a long runway of opportunity.
- The inherent need for infrastructure supporting economies of the future provides a **unique return profile** which enables the asset class to navigate changing macro conditions through inherent inflation protection, contractual revenue streams, strong access to debt markets, and **value-add** from partnering with the strongest managers with deep technical expertise and track records to deliver positive outcomes.



Anish Majmudar  
Real Assets Head

## Fund Facts

Target launch date:  
Q1 2024

Dealing frequency:  
Quarterly subscription and redemptions

Structure:  
Luxembourg UCI Part II FCP

SFDR classification:  
Article 6

Source: M&G, as at 30-Jun-23

**~300**  
High quality assets

**27%**  
Invested in co-investments

**29**  
GP Sponsors

**90%**  
Fund investments have governance rights

Past performance is not a guide to future performance

Target returns are not guaranteed

- 1) Source: M&G as at 31 March 2023, includes the entire M&G Private Equity portfolio since 2000, with the exception of two co-investment funds with PPMA and NeubergerBerman. Exact size and composition of the Fund remain to be determined.
- 2) Subject to quarterly dealing terms, including limits of 5% of quarterly NAV.
- 3) J-curve: investment has a negative return for a period at the beginning of a fund's life, during its investment phase, as the fund draws capital from investors and fees are taken, followed by a reversal as returns on investments become positive and proceeds are received by investors.
- 4) Source: M&G as at 31 March 2023; includes the entire M&G Private Equity portfolio since 2000, cashflows converted into USD. Gross horizon IRRs are net of reported management fees and carried interest paid or accrued at the underlying investment level, but gross of all management fees and performance fees paid or payable to M&G at period end.
- 5) Internal limits are subject to change.

### Key fund risks

- The value of investments will fluctuate, which will cause prices to fall as well as rise and investors may not get back the original amount they invested. There is no guarantee the objective will be achieved. Wherever past performance is shown, please note that this is not a guide to future performance.
  - Liquidity Risk (closed-ended): The Fund's investments are likely to be illiquid, as a result it may be difficult for the fund to realise, sell or dispose of an investment at an attractive price or at the appropriate time or in response to changing market conditions.
  - Currency Risk: The Fund may be exposed to currency rate movements.
  - Private Equity Risk: As equity is subordinate to all other claims into an underlying investment, the Fund may be exposed to the possibility of a low or zero recovery on some of its investments.
- Please note this is not an exhaustive list, you should ensure you understand the risk profile of the products or services you plan to purchase.
- Please note, investing in this fund means acquiring units or shares in a fund, and not in a given underlying asset such as building or shares of a company, as these are only the underlying assets owned by the fund.
- The Fund is actively managed and does not have a benchmark.
- Further details of the risks that apply to the fund can be found in the fund's Prospectus

### Other important information

- An explanation of the terms used in this document can be found on the glossary <https://www.mandg.com/investments/professional-investor/en-lu/glossary>



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