

**SHINING A LIGHT ON THE.....
M&G Global Dividend Fund**

AT A GLANCE

Investment Objective	
The fund invests globally in the shares of companies with the potential to grow their dividends over the long term. Its aim is to deliver a yield above the market average and grow distributions (in sterling terms) over the long term, whilst also maximising total return (the combination of income and growth of capital). The level of income may vary over time. The fund manager selects stocks with different drivers of dividend growth to construct a portfolio that can cope in a variety of market conditions.	

Inception Date	18 July 2008
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F0000021A1

Management	
Manager Name	Start Date
Stuart Rhodes	18 July 2008

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	35.51%
Large	29.09%
Medium	19.98%
Small	14.22%
Micro	1.20%

Top 10 Holdings		
Total number of holdings	41	
Assets in Top 10 Holdings	46.27%	
Name	Sector	% of Assets
Gibson Energy Inc	Energy	7.36%
Imperial Brands PLC	Consumer Defensive	7.08%
Microsoft Corp	Technology	4.79%
Visa Inc Class A	Financial Services	4.51%
Roche Holding AG Dividend Right Cert	Healthcare	4.21%
Standard Life Aberdeen PLC	Financial Services	3.96%
Methanex Corp	Basic Materials	3.90%
Keyera Corp	Energy	3.58%
Amcor PLC	Consumer Cyclical	3.53%
Bristol-Myers Squibb Company	Healthcare	3.34%

Volatility Measurements	
3-Yr Std Dev (volatility)	17.48%
3-Yr Mean Return (average)	3.50%

LWM Consultants Ltd

FUND PERFORMANCE

Performance from 1 January 2014 to 31 May 2020

	2014	2015	2016	2017	2018	2019	2020
M&G Global Dividend Fund	3.47%	-6.51%	40.87%	13.17%	-7.10%	19.42%	-9.28%
MSCI World	9.33%	2.89%	25.62%	9.72%	-4.87%	20.36%	-2.41%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since Launch
M&G Global Dividend Fund	-0.77%	10.86%	41.21%	222.61%
MSCI World	7.01%	17.32%	49.00%	156.38%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

These updates have been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.

The fund was set up by Stuart Rhodes in 2008. The focus for the fund is on a growing dividend yield. The fund is split into three buckets; quality (normally 50 -60%), assets (20 – 30%) and rapid growth (10-20%).

Stuart started by expressing how 2016 and 2017 had been good for the fund, 2018 and 2019 have been disappointing and then COVID19 has further damaged performance. However, he believes the fund is positioned well for a sharp recovery.

Stuart went on to explain the different stages they have entered this year.

Stage 1 was the initial drop in values which he saw as short and sharp. During this time, they sold Unilever, Siemens, Epiroc, Nestle and DBS to raise cash and take advantage of the collapse in markets. At the time the number of holdings dropped to the lower end of the 40 / 50 holdings and the fund had over 7% in cash.

Stage 2 was towards the end of March and April. In the rapid growth bucket, they increased weightings to VISA and added ADP. They reduced Roche, Colgate-Palmolive and PepsiCo and sold Johnson and Johnson.

They increased their assets bucket, adding Standard Life Aberdeen and Imperial Brands, and added to businesses like Gibson Energy, Keyera and Methanex.

Stage 3 is where they are today and is seen as business as usual, adding Orsted and selling Vinci and Walt Disney. The number of holdings came down to 41.

LWM Consultants Ltd

In terms of dividends the distribution over 12 months to 31 March is up. Going forward 6 holdings have cut dividend, one is flat and five have increased. They think the tech rally will stall and there will be a big recovery in areas like energy, financials and airlines. He also feels the markets are ignoring risks like Brexit and US elections.

In summary, the fund for the last 5 years had lagged the index. Stuart remains confident that his fund can benefit from the rotation away from tech, but he is nervous around other risks which he feels the markets seem to be ignoring.

The source of information in this note has been provided by M&G and is correct as at June 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.