

# M&G Smaller Companies Fund

Sterling Class I – Accumulation shares



Monthly Fund Review as at 31 March 2025

For investment professionals only

## Fund description

The fund aims to achieve a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, over five years than the Deutsche Numis Smaller Companies Index (excluding Investment Companies). The fund is a well-diversified but high-conviction portfolio of UK smaller company shares constructed via a bottom-up approach to stockpicking. A long-term perspective is adopted with particular focus placed on growth, competitive advantage, change, quality of management and valuation.

## The main risks associated with this fund

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 invests in shares of smaller companies which may be less liquid and more volatile in price than shares of larger companies.

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 Prospectus.

## Single year performance (5 years)

	2024	2023	2022	2021	2020
■ Sterling I Accumulation	6.8%	-0.8%	-23.8%	21.7%	-3.2%
■ Benchmark	9.5%	10.1%	-17.9%	21.9%	-4.3%
■ Sector	6.3%	0.4%	-25.6%	20.6%	7.0%

## Performance over 5 years



## Fund performance

	1 month	3 months	YTD	1 year	3 years p.a.	5 years p.a.
■ Sterling I Accumulation	-5.1%	-9.3%	-9.3%	-5.2%	-4.8%	4.8%
■ Benchmark	-3.7%	-6.3%	-6.3%	2.3%	0.9%	11.0%
■ Sector	-3.6%	-7.5%	-7.5%	-2.9%	-5.5%	6.3%

Past performance is not a guide to future performance.

**Performance comparison:** The benchmark is a target which the Fund seeks to outperform. 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 to measure the Fund's performance and, together with the other index, and the Alternative Investment Market constrains the Fund's portfolio construction as they define the investment universe of the Fund.

The Fund is actively managed. Within the given constraints, the fund 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. For each Share Class the Benchmark will be denominated or hedged into the relevant share class currency. The Benchmark for each Share Class will be shown in its respective KIID.

Source: Morningstar, Inc and M&G, as at 31 March 2025. Returns are calculated on a price to price basis with income reinvested. Benchmark returns stated in GBP terms.

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## Key information

<b>Fund manager(s)</b>	James Taylor
<b>Fund manager tenure from</b>	30 June 2021
<b>Deputy fund manager(s)</b>	Garfield Kiff, Hilary Aldridge
<b>ISIN</b>	GB00B75DFL82
<b>Launch date of fund</b>	27 September 1967
<b>Launch of share class</b>	03 August 2012
<b>Fund size (millions)</b>	£ 148.96
<b>Benchmark(s)</b>	Deutsche Numis Smaller Companies Index (excluding Investment Companies)
<b>Benchmark type</b>	Target
<b>Sector</b>	IA UK Smaller Companies sector
<b>Number of companies</b>	71
<b>Historic yield</b>	2.05%
<b>Portfolio turnover over 12 months</b>	28.99%
<b>Payment dates</b>	Feb, Aug
<b>Ex-dividend date</b>	Jan, Jul

## Charges

<b>Maximum entry charge</b>	0.00%
<b>Ongoing charge</b>	0.85%

## Risk characteristics

As at 31/03/2025	Fund
Sharpe Ratio	-0.46
Standard deviation (%)	16.66
Forecast tracking error (active risk, %)	4.82
Active share (%)	72.66

## 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.

## Fund ratings as at 31 March 2025

Morningstar Medalist Rating™	Analyst-Driven %
<b>Neutral</b>	10
	Data Coverage %
	93

Overall Morningstar rating  
Financial Express Crown Rating

Source of Morningstar ratings: Morningstar  
Source: Financial Express

Ratings should not be taken as a recommendation.



## Industry breakdown (%)

	Fund	Index	Relative weight
Consumer discretionary	30.3	18.3	12.0
Industrials	26.3	24.8	1.5
Financials	16.4	17.1	-0.8
Technology	5.9	6.6	-0.7
Basic materials	5.8	5.8	0.0
Real Estate	4.9	11.0	-6.1
Consumer staples	3.8	5.0	-1.1
Health care	3.2	3.2	0.0
Energy	2.3	3.9	-1.6
Telecommunications	1.0	1.6	-0.5
Utilities	0.0	2.6	-2.6
Other	0.0	0.0	0.0
Cash	0.0	0.0	0.0

## Largest holdings (%)

	Fund	Index	Relative weight
Premier Foods	3.8	1.1	2.7
Hill & Smith Holdings	3.4	1.0	2.4
Team17 Group	2.7	0.0	2.7
Wilmington	2.7	0.2	2.4
M&C Saatchi	2.4	0.0	2.4
Alpha FX Group	2.3	0.7	1.6
Savills	2.3	1.0	1.3
Avon Rubber	2.2	0.3	1.9
Chemring Group	2.2	0.7	1.5
Marshalls	2.1	0.4	1.7

## Largest overweights (%)

	Fund	Index	Relative weight
Premier Foods	3.8	1.1	2.7
Team17 Group	2.7	0.0	2.7
M&C Saatchi	2.4	0.0	2.4
Wilmington	2.7	0.2	2.4
Hill & Smith Holdings	3.4	1.0	2.4
Mortgage Advice Bureau (Holdings)	1.9	0.0	1.9
Avon Rubber	2.2	0.3	1.9
Tatton Asset Management	1.8	0.0	1.8
Marshalls	2.1	0.4	1.7
Alpha FX Group	2.3	0.7	1.6

## Largest underweights (%)

	Fund	Index	Relative weight
Delek North SEA	0.0	1.8	-1.8
TBC Bank Group	0.0	1.6	-1.6
Bovis Homes Group	0.0	1.3	-1.3
IWG	0.0	1.3	-1.3
Pennon Group	0.0	1.1	-1.1
Serco Group	0.0	1.1	-1.1
OSB Group	0.0	1.1	-1.1
Morgan Sindall Group	0.0	1.1	-1.1
Breedon Group	0.0	1.1	-1.1
Wizz Air Holdings	0.0	1.1	-1.1

## Fund codes and charges

Share class	ISIN	Bloomberg	Currency	Share class launch date	Ongoing charge	Historic yield	Minimum initial investment	Minimum top up investment
Sterling A Acc	GB0031289431	MGSSMLA LN	GBP	27/09/1967	1.25%	1.62%	£500	£100
Sterling A Inc	GB0031289324	MGSSMLI LN	GBP	27/09/1967	1.25%	3.07%	£500	£100
Sterling I Acc	GB00B75DFL82	MGSMCIA LN	GBP	03/08/2012	0.85%	2.05%	£500,000	£10,000
Sterling I Inc	GB00B7N1NG56	MGSMCII LN	GBP	03/08/2012	0.85%	3.06%	£500,000	£10,000
Sterling R Acc	GB00B6Z83898	MGSMCRA LN	GBP	03/08/2012	1.10%	1.77%	£500	£100
Sterling R Inc	GB00B79BM732	MGSMCRI LN	GBP	03/08/2012	1.10%	3.06%	£500	£100

Any ongoing charge figure with \* indicates an estimate. The ongoing charge figure may vary from year to year and excludes portfolio transaction costs. The charges are mostly, if not exclusively, the Annual Charge which may be discounted depending on the size of the fund. For further details, please see the fund's Key Investor Information Document (KIID). The fund's annual report for each financial year will include details on the exact charges made. Please go to [www.mandg.co.uk/literature](http://www.mandg.co.uk/literature) to view the Costs and charges illustration which contains information on the costs and charges applicable to your chosen fund and share class.

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 fund's Prospectus for more information on the risks associated with this fund and which share classes are available for which product and which investor type.

## Important information

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The M&G Smaller Companies Fund is a sub-fund of M&G Investment Funds (3).

The Morningstar Overall Rating based on the fund's Sterling Class I shares. Copyright © 2025 Morningstar UK Limited. All Rights Reserved. Ratings should not be taken as recommendation.

The value of investments will fluctuate, which will cause fund prices to fall as well as rise and investors may not get back the original amount invested.

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