

All statistics from M&G internal sources as at 30.09.20, unless indicated otherwise.

Fund description

The fund provides an all-equity approach to investment, holding a 60% UK equity and 40% mix of overseas company shares. For the overseas shares, the fund is actively managed against an internal composite benchmark asset allocation set by the M&G Treasury & Investment Office. It is a 'fund of funds' where both active stock selection, within the underlying sector funds, and asset allocation decisions are used to add value. Derivative instruments may be used for efficient portfolio management.

Performance objective

To outperform an internal composite benchmark by 1.0% per annum, gross of fees, on a rolling three-year basis.

Key facts

Style	Active
Portfolio manager	M&G Treasury & Investment Office
Benchmark	Mix of FTSE and MSCI regional indices as set by the T&IO*
Comparator	ABI Pensions Global Equities sector median
Underlying sector funds	6
Fund size	£121.56m
Current bid/offer spread	0.71%
Offer price	£77.38
AMC/OCE†	0.43%/0.03%

* 60% FTSE All-Share Index; 10.7% FTSE World North America Index; 10.7% FTSE World Europe (ex-UK) Index; 4.7% FTSE Japan Index; 10.7% FTSE All-World Asia Pacific ex-Japan Index; 3.2% MSCI Emerging Markets Index.

† AMC - annual management charge; OCE - other charges and expenses.

Performance

Percentage change in bid price since 1 Jan 2020, offer price prior to 1 Jan 2020 (net of fees)

12 months to end of September	2020	2019	2018	2017	2016
Fund	-9.8	-0.2	8.0	15.3	18.5
Benchmark	-8.0	4.0	6.9	13.5	20.7
Comparator	2.0	1.6	5.0	10.0	13.7

	Qtr	1 yr	3 yrs*	5 yrs*
Fund	0.1	-9.8	-0.9	5.9
Benchmark	-0.4	-8.0	0.7	7.0
Comparator	3.2	2.0	5.4	11.0

* Annualised

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 can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investments.

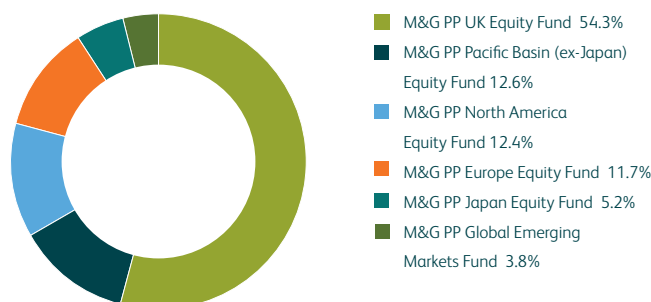
Performance and attribution

- Following the sharp rebound in the second quarter, most equity markets gained in the most recent period, although the pace was more moderate. Sentiment was bolstered by ongoing supportive policy from central banks and government aid. However, cases of the virus have increased, leading many countries to reimpose lockdowns and other restrictions, albeit less severely than earlier in the year.
- The fund was broadly flat over the quarter and was slightly ahead of the index but behind the comparator. US, Pacific and emerging markets were the strongest equity markets, with more modest gains from Japan and Europe.
- In contrast, the UK declined in the quarter, with returns held back by its exposure to poorly performing financial and energy stocks and dividend cuts for many large companies. The as-yet unsettled issue of a trade deal with the European Union also weighed on the UK stockmarket, with a 'no-deal' expected should an agreement not be reached by the end of the year. However, stock selection helped relative returns in the UK, while it held back relative returns in most other regional markets.

Strategy

- The strong rebound in economic activity earlier in the year seems to have faltered as anxious consumers prefer to hold on to savings, awaiting indications of greater certainty and the reality of major job losses as government support programmes come to an end. It is likely that the economic scars of the crisis will be long lasting and it is not yet clear how far changes to consumer and corporate behaviour will go. There are some bright spots, including China where industrial output has already returned to its pre COVID-19 trend levels, with the recovery led by steel and automotive production.
- In the US, investors will be assessing the implications of the outcome of the Presidential Election, due to be held in early November. They are also waiting for developments regarding the size and delivery of a stimulus package. Meanwhile, the US Federal Reserve has announced its intention to maintain rates at low levels until 2023, which should prove supportive. In Europe, a proposed €750 billion recovery fund for the European Union has been announced and this is expected to obtain full political and legal authorisation by the end of this year.

Fund holdings



Please note that the data may not always add up to 100.0% due to rounding.

Risk rating

Minimal Lower Lower to Medium Medium **Medium to Higher** Higher

What type of funds are in this risk category? These funds offer a diverse geographical spread of equity investment or have multi-asset strategies with a specialist focus (e.g. ethical). The equity funds within this category will have greater overseas exposure and underlying volatility than the “medium” sector.

M&G Investments Pooled Pensions

M&G Investments Pooled Pensions manage a full range of funds on both an active and passive basis for defined benefit and defined contribution clients. We believe that the quality of client service is an important part of our overall pooled fund service.

Our team of Directors is responsible for all aspects of our relationships with individual clients, including regular attendance at trustee meetings to present performance and investment strategy.

Client Directors

Lian Golton	020 3977 1666	Equities.Client.Team@mandg.co.uk
Orla Haughey	020 3977 3638	Equities.Client.Team@mandg.co.uk
Alec Spooner	020 3977 2505	Equities.Client.Team@mandg.co.uk

For security purposes and to improve the quality of our service, we may record and monitor telephone calls.

Please note that information contained within an email cannot be guaranteed as secure. We advise that you do not include any sensitive information when corresponding with M&G in this way.

For scheme members

If you require further information about your pension please talk to your sponsoring employer.

For all general enquiries and administration please contact The Bank of New York Mellon Asset Servicing - Customer Services Desk on 0344 892 1812.

Regulatory and technical information

Usage

- This factsheet is intended for trustees, sponsors, advisers and “defined contribution” members of occupational pension schemes and personal pensions invested in M&G Pooled Pensions fund range.
- This factsheet reports upon the investment management of the fund during the quarter.
- There is no guarantee the fund objective will be achieved.

Advice

- This factsheet is provided for information purposes only. Any changes to your investment arrangements should be discussed with your advisers.
- The commentary in this factsheet reflects the general views of M&G and should not be taken as a recommendation or advice as to how a specific market or fund is likely to perform.

Performance

- Performance is measured on a bid price to bid price basis since 1 Jan 2020, offer price to offer price prior to 1 Jan 2020 (net of fees).
- The annual management charges are deducted before the unit prices are set and hence before the net performance figures shown here are calculated.
- To obtain unit price information for all funds in the M&G Pooled Pensions fund range, Pension Schemes can log on to www.mandg.co.uk/institutions/resource-centre/pooledfundprices/

Fund availability

- Not all of the funds available may be used by your scheme.
- If you are in any doubt as to which M&G funds are applicable to you, please contact your personnel or pensions department as appropriate.

How are fund prices calculated?

- M&G Pooled Pensions funds operate on a “single swinging” price basis. Although we create both bid and offer prices for each dealing day, the basis on which units in the fund are transacted is dependent upon the cash flow into/out of the fund on any day. If the fund has net positive cash flow on the day then it will be priced on an offer basis. If the fund has net negative cash flow on the day then it will be priced on a bid basis.
- The annual management charges are deducted from the fund before the unit prices are calculated.
- M&G Pooled Pensions funds are “forward” priced, which means that the unit price is set after money is invested. Money is invested on a “T+0” dealing cycle, which means that money received before 12.00 will be invested by close of business that day and the unit price applicable for that “valuation date” would be published by 12.00 on the following day.

What is the risk rating?

- Risk ratings have been developed by Prudential to help provide an indication of a fund’s potential level of risk and reward based on the type of assets which may be held by the fund. Other companies may use different descriptions and as such these risk ratings should not be considered as generic across the fund management industry.
- We regularly review our fund risk ratings, so they may change in the future. If, in our view, there is a material change in the fund’s level of risk, for example due to a significant change to the assets held by the fund or in the way the fund is managed, we will provide information on the new risk rating. We recommend that you make sure you understand the risk rating of any fund before you invest.
- You should also consider discussing your decision and the appropriateness of a fund’s risk rating with an adviser.

Glossary

For definitions of the investment terminology used within this document please see the glossary at: www.mandg.co.uk/investor/help-centre/glossary

M&G Financial Services Limited, which is authorised and regulated by the Financial Conduct Authority in the UK. M&G Pooled Pension funds are provided under an insurance contract issued by Prudential Pensions Limited and Prudential Pensions Limited has appointed M&G Financial Services Limited as a distributor of its products. The registered office of both companies is 10 Fenchurch Avenue, London EC3M 5AG. Both companies are registered in England and Wales under numbers 923891 and 992726 respectively. **OCT 20/60083**