

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

Fund description

The fund invests, via other M&G PP funds, in the shares of UK companies. The fund is actively managed against its benchmark, the FTSE All-Share Index. It is a 'fund of funds' holding units in several more specialised UK equity funds to give access to a variety of methods for generating investment returns in differing market conditions. Derivative instruments may be used for efficient portfolio management.

Performance objective

To outperform the benchmark by 0.75% - 1.0% per annum, gross of fees, on a rolling three-year basis.

Key facts

Style	Active/Passive
Fund manager	M&G Treasury & Investment Office
Benchmark	FTSE All-Share Index
Underlying funds	5
Fund size	£366.10m
Current bid/offer spread	0.87%
Offer price	£1,546.58
AMC/OCE[†]	0.40%/0.01%

[†] 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	-14.3	-0.6	7.9	13.7	14.3
Benchmark	-16.6	2.7	5.9	11.9	16.8

	Qtr	1 yr	3 yrs*	5 yrs*
Fund	-1.2	-14.3	-2.8	3.6
Benchmark	-2.9	-16.6	-3.2	3.5

* 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.

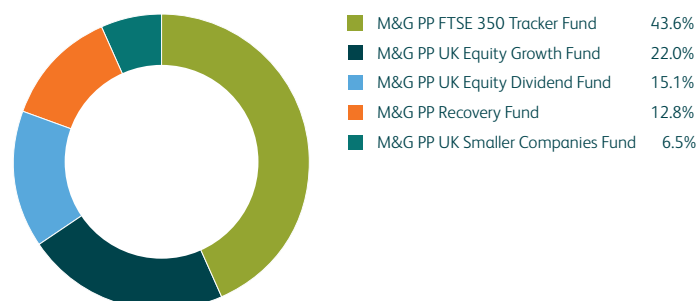
The fund can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investments.

Performance and attribution

- UK equities rebounded towards the end of the third quarter, but the gains were insufficient to offset losses incurred earlier in the period. Against this backdrop, the fund fell, but was ahead of the broad market FTSE All-Share Index. Most of the underlying funds were ahead of their respective benchmarks, with the exception of the UK Equity Dividend Fund. This was largely a reflection of the UK Equity Dividend Fund's high yield portfolio, which has been overwhelmed by the impact of dividend cuts and suspensions from corporate UK. The main individual detractors in the quarter included oil major BP, technology group Micro Focus and Vodafone. However, some of the underperformance was mitigated through fund holdings in bookies William Hill and Ladbrokes Coral owner GVC, miner Rio Tinto, auto insurer Hastings, plus energy firm Diversified Gas & Oil.

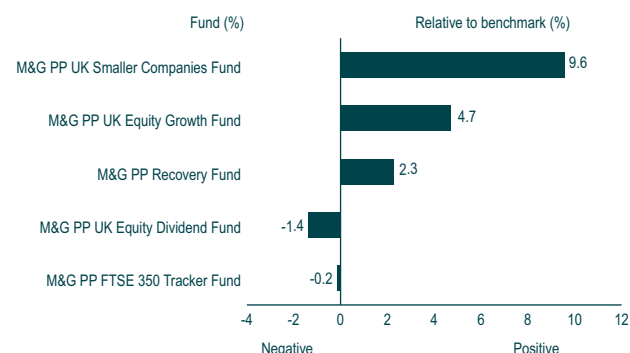
- The UK Equity Growth Fund has continued a pattern of outperformance over the past four quarters. Its focus on well-capitalised and high-quality business models has provided a solid foundation as these attributes have proved sustainable in the market volatility. Stock selection added value and among the notable names were Asos, which has created an unassailable position as the online department store for fashion-conscious 15 to 35-year olds, litigation finance provider Burford Capital after posting good results and announcing a US market listing, plus Games Workshop, the manufacturer of small fantasy figurines, which has done an impressive job internationalising the business.
- The Recovery Fund's outperformance over the quarter was driven by a number of portfolio constituents, most notably three biotech stocks, Mesoblast, Oxford Biomedica and Hutchison China MediTech, as well as titanium miner Kenmare Resources, paper packaging firm Smurfit Kappa and Mirriad Advertising. Some performance was surrendered partly as a result of a lack of consumer staples companies in the portfolio; the current environment hasn't rendered many in this sector as candidates for the Recovery strategy.
- The UK Smaller Companies Fund's strong outperformance was supported by a lack of presence in the oil & gas sector and above-index positions in technology and healthcare. Stock selection in consumer services, industrials and financials was beneficial. Individual contributors included a number of companies that benefited as people spent more time at home due to the pandemic, such as Luceco, which supplies lighting products and other consumer electrical goods, and sofa retailer SCS.

Fund holdings



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

Underlying fund performance



Data refers to 30.09.20

Risk rating

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

What type of funds are in this risk category? These are specialist equity funds that focus on set geographical regions or a particular type of share, eg shares of smaller companies or those that conform to certain criteria.

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 20/60125**