

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

## Fund description

The fund invests in UK Government gilts with over 15 years to maturity. The fund is passively managed against its benchmark, the FTSE Actuaries UK Conventional Gilts Over 15 Years Index. Tracking this index is achieved by fully replicating the stocks in the index.

## Performance objective

To match the performance of the benchmark as closely as possible.

## Key facts

Style	Passive
Fund manager	Robert Burrows
Benchmark	FTSE Actuaries UK Conventional Gilts Over 15 Years Index
Number of holdings	23
Fund size	£132.17m
Current bid/offer spread	0.09%
Offer price	£79.93
AMC/OCE <sup>†</sup>	0.10%/0.01%

<sup>†</sup> 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	5.4	22.8	1.4	-6.4	22.9
Benchmark	5.2	23.0	1.3	-6.3	23.0

	Qtr	1 yr	3 yrs*	5 yrs*
Fund	-2.4	5.4	9.5	8.6
Benchmark	-2.5	5.2	9.5	8.6

\* 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.

## Market background

- UK government bonds (gilts) delivered slightly negative returns in the third quarter of 2020. This was mainly driven by a sharp rise in gilt yields in August as the post-COVID rebound in financial markets saw investors rotate into riskier assets, such as corporate bonds and equities. However, gilts were able to recover part of these losses in September as renewed fears of further COVID-19 lockdowns, as well as political uncertainty around Brexit and the upcoming US presidential election, helped push yields lower. Yields on 10-year gilts ended the quarter marginally higher at just above 0.2%. In contrast, UK corporate bonds delivered modest positive returns in the quarter, with these assets benefiting from a further tightening in credit spreads over much of the period.

## Fund holdings

	(% of fund)
UK (Govt of) 4.25% 07/12/55	6.6
UK (Govt of) 4% 22/01/60	6.1
UK (Govt of) 4.5% 07/12/42	5.7
UK (Govt of) 4.25% 07/03/36	5.5
UK (Govt of) 3.5% 22/01/45	5.4
UK (Govt of) 4.75% 07/12/38	5.3
UK (Govt of) 3.75% 22/07/52	5.3
UK (Govt of) 4.25% 07/12/46	5.2
UK (Govt of) 3.5% 22/07/68	5.1
UK (Govt of) 3.25% 22/01/44	5.1
UK (Govt of) 4.25% 07/12/40	5.0
UK (Govt of) 4.25% 07/12/49	4.6
UK (Govt of) 4.25% 07/09/39	4.5
UK (Govt of) 1.75% 07/09/37	4.3
UK (Govt of) 2.5% 22/07/65	4.0
UK (Govt of) 1.75% 22/07/57	3.9
UK (Govt of) 1.75% 22/01/49	3.7
UK (Govt of) 1.5% 22/07/47	3.4
UK (Govt of) 1.625% 22/10/54	2.8
UK (Govt of) 1.625% 22/10/71	2.4
UK (Govt of) 1.25% 22/10/41	2.4
UK (Govt of) 0.625% 22/10/50	2.2
UK (Govt of) 0.5% 22/10/61	1.5

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

## Duration



## Risk rating

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

What type of funds are in this risk category? These funds may invest in multi-asset strategies with a higher weighting in equities, while funds investing mainly in property and, currently, government bonds (such as UK Gilts) are also in this category.

### 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
Maria Stott	020 3977 1676	Magim.Inst.Clients@mandg.co.uk
Mike Thomas	020 3977 2818	Magim.Inst.Clients@mandg.co.uk

#### Sales Directors

John Atkin	020 3977 3718	john.atkin@mandg.co.uk
Henry Barstow	020 3977 3776	henry.barstow@mandg.co.uk
Alastair Mitchell	020 3977 1388	alastair.mitchell@mandg.co.uk
Sunita Dey	020 3977 2428	sunita.dey@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/](http://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](http://www.mandg.co.uk/investor/help-centre/glossary)

From 2019, M&G is pleased to announce the introduction of a relationship discount for those clients invested in multiple strategies who meet certain criteria. We will be contacting clients directly where they may benefit from this initiative and, if you are interested in discussing this further, please get in touch with your usual M&G contact.

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