



Pooled Pensions

M&G PP All Stocks Corporate Bond Fund

Fund profile second quarter 2021



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

Fund description

The fund invests mainly in high quality Sterling corporate bonds across the range of maturities. The fund is actively managed against its benchmark, the iBoxx Sterling Non-Gilts Index. The fund may also hold UK government gilts and limited amounts of high yield and hedged non sterling corporate bonds. Derivative instruments may be used for efficient portfolio fund management.

The value of investments, and the income from them, will fluctuate. This will cause the fund price to fall as well as rise and you may not get back the original amount you invested.

There is no guarantee the fund objective will be achieved.

Investment objective

To outperform the benchmark by 0.80% per annum gross of fees on a rolling three year basis.

Benchmark

iBoxx Sterling Non-Gilts Index.

Investment approach

The fund seeks to add value through a fundamentally driven, 'bottom-up', value-based approach to investment. Our investment philosophy is based on the belief that securities can become mispriced and over or undervalued as a consequence of a variety of issuer/sector factors, or wider events including social or political unrest and episodes of market greed, fear and panic. The heart of our investment process lies in our ability to assess the fundamental creditworthiness of issuers, driven by a very well-resourced and highly experienced analyst team. These fundamental credit assessments allow our fund managers to identify relative and absolute value in credit markets in order to construct portfolios of attractively priced corporate bonds.

The starting point of our process is to look at the investable universe of assets and the fund's investment objectives. In this universe we seek to add value by taking active positions where we believe assets are under or over-valued. The Fund Manager is ultimately responsible for the decision to buy or sell and he will only do so when he believes he is adequately compensated for the risk. In reaching a decision on an individual credit, the Fund Manager considers not only the value of the opportunity at hand, but also its potential impact on the risk and investment profile of the rest of the portfolio. Risk control is an integral element of our investment process. Portfolio risk is managed by the Fund Manager, but monitored and reviewed by our independent risk management team.

Key facts

Style	Active
Launch date	5 January 2000
AMC/OCE†	0.30%/0.01%
Pricing	Daily
Fund manager	Jamie Hamilton

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

Risk control

Maximum exposure limits

UK conventional gilts	30% of fund
UK index-linked gilts	20% of fund
Overseas bonds (hedged)	20% of fund
High yield bonds	10% of fund
Structured credit	5% of fund
AAA rated sovereign or each supranational or government guaranteed issuer	+10% of index weight
Other AAA rated issuer	+5% of index weight
AA and A rated issuer	+3% of index weight
BBB rated issuer	+2% of index weight
Each below BBB rated issuer	+1% of index weight
Duration	within +/-1 year of benchmark duration

Eligible assets

Investment grade and high yield corporate bonds
Structured credit: collateralized debt and collateralized loan obligations
Overseas bonds hedged into sterling
UK government bonds
Cash

Derivatives including but not limited to: credit default, interest rate, inflation and currency swaps, financial futures and options.

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.

Risk rating

Minimal	Lower	Lower to Medium	Medium	Medium to Higher	Higher
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What type of funds are in this risk category? These funds may invest in corporate bonds or multi-asset strategies with a higher weighting in corporate bonds (and other comparable strategies).

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.

Fund information

Legal structure: Life company (Prudential Pensions Limited) funds

Regulatory authorities: Financial Conduct Authority and Prudential Regulation Authority

Tax status: Exempt approved with gross income reinvested

Permitted investors: UK exempt approved pension schemes only

Investment manager for the Life Company: M&G Investment Management Limited

Dealing policy

Dealing instructions

Receipt of instructions by 12 noon on dealing day

Pricing basis

Daily forward single swinging pricing (T+0 dealing cycle)

Prices reported

To obtain unit price information for all funds in the M&G Pooled Pensions fund range, Pension Schemes can log on to www.mandg.com/investments/institutional/en-gb/funds

Glossary

For definitions of the investment terminology used within this document please see the glossary at: www.mandg.com/investments/private-investor/en-gb/help-centre/glossary

M&G Investments Pooled Pension Funds

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

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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.

