

M&G Global Target Return Fund

Multi-asset investing for steady target returns



Tristan Hanson
Fund Manager

“Whatever the market environment, our aim is to smooth the journey for investors.”

Fund facts



30 Nov
2018

Fund size:
£104.13
million

Launch date:

13 December 2016

Comparative sector:

IA Targeted Absolute Return

Reference rate:

3-month GBP LIBOR

1. Reasons to consider absolute returns

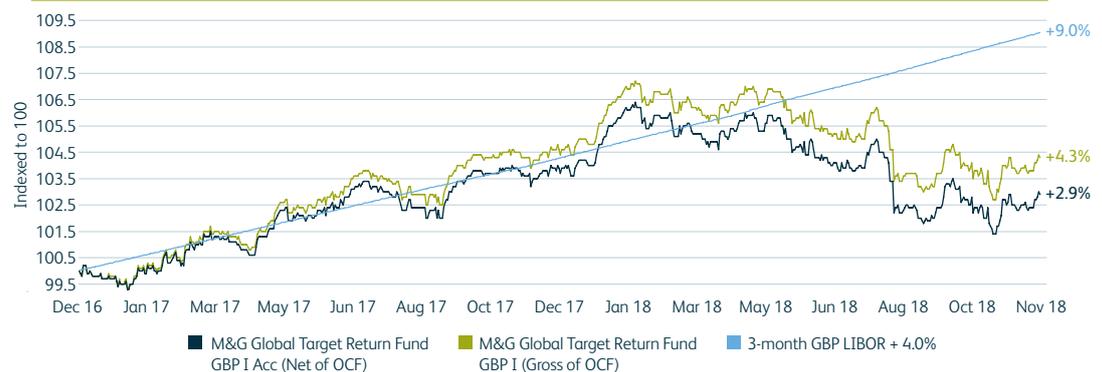
- Absolute return funds generally target specific, positive returns over a defined period.
- They tend to exhibit low correlation with individual asset classes over three to five years.
- Can benefit from both rising and falling markets by being net long or net short of any asset class, therefore potentially performing in a variety of market conditions and helping to diversify an investor's portfolio.

2. Why invest in the M&G Global Target Return Fund?

- A multi-asset, absolute return fund that has been designed with cautious investors in mind.
- The fund aims to deliver combined income and capital growth of at least **4% pa above three-month GBP LIBOR** before any charges, over any three-year period and in any market condition.
- The fund manager applies an investment approach he believes should keep **monthly losses below 3%** in normal to stressed market conditions and annualised **volatility to 3%-7%**.

The value of investments and the income from them will rise and fall. This will cause the fund price, as well as any income paid by the fund, to fall as well as rise. There is no guarantee the fund will achieve its objective and investors may not get back the amount they originally invested. Changes in currency exchange rates will affect the value of investments.

Fund performance since launch



	YTD 2018	2017	2016	2015	2014	2013	Annualised since launch
M&G Global Target Fund £I Acc (Net of OCF)	-1.1%	+4.3%	N/A	N/A	N/A	N/A	+1.5%
M&G Global Target Fund £I Acc (Gross of OCF)	-0.5%	+5.1%	N/A	N/A	N/A	N/A	+2.2%
3-month LIBOR GBP + 4%	+4.2%	+4.3%	+4.6%	+4.6%	+4.6%	+4.5%	+4.5%

Source: Morningstar Inc and M&G, as at 30 November 2018. Sterling Class I Acc shares, income reinvested, price-to-price basis. The past performance shown here is both gross returns (before the Ongoing Charge Figure is taken) in line with the objective of the fund and net returns (after the Ongoing Charge Figure has been taken) to illustrate how charges affected the performance. Investors should note that the net return is what they would receive and is therefore the more relevant figure.

Past performance is not a guide to future performance.

3. An innovative, multi-asset investment process

The fund manager applies the same investment approach as used in M&G's other multi-asset funds, combining a robust valuation framework with elements of behavioural finance.

- **Strategic assessment:** analyse valuations across all asset classes to determine strategic allocation over the medium term.
- **Tactical assessment:** identify and capture opportunities presented by market episodes that lead to strong and rapid movements in valuations.
- **Portfolio construction:** focus on rigorous risk management. Each position is selected and weighted to minimise volatility and monthly losses.

The fund manager has the **freedom to invest** across global equity and bond markets, along with other types of assets, including less liquid assets such as asset-backed securities or infrastructure. The fund may use derivatives (such as options, credit default swaps and relative value trades) to gain exposure to investments exceeding the value of the fund (leverage). This may cause greater changes in the fund's price and increase the risk of loss if asset prices move unexpectedly.

Experts in multi-asset investing

- With over 18 years of asset management experience, Tristan Hanson has managed the fund since its launch in December 2016.
- M&G's Multi Asset team was formed in 1999 to implement the asset allocation strategy of the Prudential Life Fund. Since its inception, the team's robust, repeatable investment processes have helped it to deliver performance in a variety of market conditions.
- The fund benefits from M&G's strength and expertise across a broad range of asset classes, as well as support from a dedicated in-house risk team.

The fund allows for the extensive use of derivatives

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.

Contact

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