

# Non-UCITS retail scheme Key Investor Information



This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

## The M&G Charibond Charities Fixed Interest Fund (Charibond)

Sterling Class – Accumulation units ISIN no. GB00BK1KFG99

Managed by M&G Securities Limited

### Objective and investment policy

The fund aims to provide a level of capital growth and income that is higher, net of the ongoing charge figure, than that of a composite index comprising one half UK government bonds and one half UK corporate bonds, over any five-year period.

The composite index is 50% ICE BoAML 1-15 Gilt Index and 50% ICE BoAML 1-15 Non Gilt Index.

**Core investment:** At least 70% of the fund is invested in high quality sterling denominated bonds issued by governments or companies.

**Other investments:** The fund may invest in non-sterling denominated bonds, other funds (including funds managed by M&G) and cash or assets that can be turned into cash quickly.

**Derivatives:** The fund may use derivatives to reduce the risks and costs of managing the fund.

**Strategy in brief:** The fund employs a disciplined approach to analyse and select each bond. It is combined with an assessment of economic fundamentals such as the outlook for economic growth, interest rates and inflation. The approach aims to identify bonds which are undervalued. The fund manager adjusts the portfolio's interest rate and credit exposure of the fund based on the economic outlook.

**Benchmark:** A composite index comprising:

- 50% of the ICE BoAML 1-15 Gilt Index
- 50% of the ICE BoAML 1-15 Non-Gilt Index

The benchmark is a target which the fund seeks to outperform. The composite index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents.

You can find more information about the objective and investment policy of the fund in the Prospectus.

You can find an explanation of some of the terms used in this document in the glossary at <https://docs.mandg.com/docs/glossary-master-en.pdf>

#### Other information

The fund may invest more than 35% in securities issued or guaranteed by the UK government.

You can buy and sell units in the fund on any business day. Instructions received before 12 noon will be dealt at that day's price.

Any income from the fund will be rolled up into the value of your investment.

In addition to the charges set out in the charges section, the fund will incur portfolio transaction costs which are paid from the assets of the fund.

**Recommendation:** This fund may not be appropriate for investors who plan to withdraw their money within 5 years.

### Risk and reward profile



• The above risk and reward indicator is based on simulated historical data and may not be a reliable indication of the future risk profile of this share class. This Share Class is categorised in risk class 3 because its simulated Net Asset Value has shown low to medium rises and falls in value historically.

- The risk number shown is not guaranteed and may change over time.
- The lowest risk number does not mean risk free.

#### The main risks that could affect performance are set out below:

- 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.
- Investments in bonds are affected by interest rates, inflation and credit ratings. It is possible that bond issuers will not pay interest or return the capital. All of these events can reduce the value of bonds held by the fund.
- The fund can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.
- In exceptional circumstances where assets cannot be fairly valued, or have to be sold at a large discount to raise cash, we may temporarily suspend the fund in the best interest of all investors.
- The fund could lose money if a counterparty with which it does business becomes unwilling or unable to repay money owed to the fund.
- Operational risks arising from errors in transactions, valuation, accounting, and financial reporting, among other things, may also affect the value of your investments.

Further details of the risks that apply to the fund can be found in the fund's Prospectus at [www.mandg.co.uk/literature](http://www.mandg.co.uk/literature)

## Charges

The charges shown in the table are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	0.00%
Exit charge	0.00%
This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.	
Charges taken from the fund over a year	
Ongoing charge	0.30%
Charges taken from the fund under certain specific conditions	
Performance fee	None

The entry and exit charges shown are the maximum figures and, in some cases, you may pay less. You can find out the exact charges which apply to your investment by contacting your financial adviser or distributor or, if you have invested directly with us, you can contact us using the details given in the practical information section.

The above ongoing charge figure is an estimate of the charges because of a change to the charging structure with effect from 1 August 2019.

The ongoing charge figure may vary from year to year and excludes portfolio transaction costs. The charges are mostly, if not exclusively, the Annual Charge which may be discounted depending on the size of the fund. The Annual Charge without any discount is 0.30%. The fund's annual report for each financial year will include details on the exact charges made.

**For more information on charges, please see the relevant sections of the Prospectus at [www.mandg.co.uk/literature](http://www.mandg.co.uk/literature)**

## Past performance

The fund launched on 15 November 2019. There is insufficient information available to provide a useful indication of past performance. Past performance information will be shown when the fund has been in existence for a complete calendar year.

## Practical information

The depositary is NatWest Trustee and Depositary Services Limited.

For more information about this fund, please visit [www.mandg.co.uk/literature](http://www.mandg.co.uk/literature) where you will find a copy of the Prospectus, Instrument of Incorporation and the latest annual or interim Investment Report and Financial Statements. These documents are in English and are available free of charge. Our website also provides other information such as unit prices.

UK tax laws apply to the fund, and this may affect your personal tax position. Please speak to an adviser for more information.

Other unit classes may exist for the fund as set out in the relevant Prospectus.

For up-to-date details of the staff remuneration policy that applies to M&G Securities Limited, including a description of how remuneration and benefits are calculated, the make-up of the remuneration committee, and the identities of persons responsible for awarding the remuneration and benefits, please visit [www.mandg.co.uk/remuneration](http://www.mandg.co.uk/remuneration). We will provide a paper copy of this information, free of charge, if you require one.

This Fund is authorised in the UK and regulated by the Financial Conduct Authority. M&G Securities Limited is authorised in the UK and regulated by the Financial Conduct Authority.

This key investor information is accurate as at 12 February 2020.