

From: M&G info account <mandginfo@mandg.co.uk>
Sent: 28 September 2015 12:45
To: [REDACTED]
Subject: Re: Global GB0030934276:GBX and Extra Income Fund
GB0031107021:GBX (KMM4419123V39944L0KM)
Attachments: MG approach to responsible investment.pdf

Dear [REDACTED]

Thank you for your email. I apologise for my delay in replying.

Moray Council Freedom of Information request – investments in the defence industry

M&G is an investment-led business whose aim is to generate superior long-term returns for its clients. As a fund manager, M&G engages in a broad spectrum of investment activities and within responsible and legal parameters does not seek to place undue restrictions per se on these activities.

M&G believes that environmental, social and governance (ESG) factors can have a material impact on long-term investment outcomes. However, although we consider it to be part of our fiduciary responsibility to include ESG issues, we do not make investment decisions based solely on them. Rather, investment decisions are made after giving appropriate consideration to all factors that influence an investment's risk or return.

M&G is a signatory of the United Nations Principles for Responsible Investment and has committed to adhere to the Principles where they are consistent with M&G's fiduciary responsibilities. In response to the UN Convention on Cluster Munitions, and to ensure adherence with country-specific legislation on such munitions, M&G does not invest in securities issued by companies directly involved in the manufacture of cluster munitions.

With respect to the specific funds Moray Council is invested in, the M&G Global Leaders Fund has no exposure to companies involved with the defence industry, although one holding, ITT in the US, used to have a defence arm, which it spun off in 2011. The M&G Extra Income Fund, on the other hand, has some exposure to companies involved with the defence industry (summarised below) although, at 2.2% of the portfolio, they represent a fairly minor position and indeed, aside from BAE Systems, this is a fairly tangential part of their businesses. However, please do let us know if you would like to receive more detailed information. In the meantime, we enclose a copy of a note on M&G's approach to responsible investment.

Extra Income Fund holdings with defence interests

%

BAE Systems

0.44

GE Capital 5.625% 2019

0.37

GKN

0.35

Inmarsat

0.32

Rolls-Royce 7.375% 2016

0.33

Smiths

0.34

2.15

Yours sincerely



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The M&G Group PO Box 9039, Chelmsford, CM99 2XG Customer Relations 0800 390 390

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Previous Reply Follows: -----

Dear Sir

Global
GB0030934276:GBX

Extra Income Fund
GB0031107021:GBX

The Moray Council has holdings in the above funds.

We have received a Freedom of Information request which asks "What investments do your Council have in companies designing, manufacturing or selling arms in the UK and worldwide in the past 5 years?"

As a result of this we are writing to all fund managers with whom we have investments to enquire whether their fund invests in any such companies. If either of the above the funds do, I should be obliged if you would give me details of the companies.

If you have any queries on the above please contact me.

Thank you for your assistance in this matter.

Yours faithfully

 
Principal Accountant
The Moray Council

Tel 01343 

***** The Moray Council: Internet E-mail Notice *****

Moray Council Web address: <http://www.moray.gov.uk>
Main switchboard: 01343 543451

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