The M&G ISA

Target Market Information

M&G has designed The M&G ISA with a wide target market of investors in mind – those looking to invest tax-efficiently in M&G funds directly and preferring to deal over the phone and receive statements by post.

What is The M&G ISA?

The M&G ISA is a Stocks and Shares Individual Savings Account (ISA) provided by M&G Securities Limited. It enables direct retail investors to pay in lump sums and regular payments, subject to HMRC limits, and transfer in funds from their existing Cash or Stocks and Shares ISAs. Any growth achieved in The M&G ISA is free of Income Tax and Capital Gains Tax, and investors can access their money when they need it.

The M&G ISA provides access to a range of M&G Open-Ended Investment Company (OEIC) funds, including actively and passively managed options.

The value of investments will fluctuate, which will cause prices to fall as well as rise and you may not get back the original amount you invested.

ISA tax rules may change in the future. ISA tax advantages depend on your individual circumstances.

What type of clients/investors is this designed for?

✓ Retail client/investor

✗ Professional client/investor (eg, trustees/corporates)

Target market – investor's knowledge and experience

Investor type	Description	Appropriate for target customer?
Basic	• Basic knowledge of relevant financial products and the features of this specific product. • Can make an informed investment decision, perhaps based on the advice/ recommendation of a regulated intermediary, supported by appropriate information and documentation from the product manufacturer. • Basic or no financial industry experience.	✓
Informed	• Reasonable knowledge of relevant financial products and the features of this specific product. • Can make an informed investment decision, perhaps based on the advice/ recommendation of a regulated intermediary, supported by appropriate information and documentation from the product manufacturer. • Some financial industry experience.	✓
Advanced	• Good knowledge and experience of relevant financial products and the features of this specific product. • Can make an informed investment decision, perhaps based on the advice/ recommendation of a regulated intermediary, supported by appropriate information and documentation from the product manufacturer.	✓

Key: ✓ Yes ✗ No — In some circumstances

Target market – investor's age

Investor's age	Description	Appropriate for target customer?
Under 18	The M&G ISA is not a Junior ISA and is therefore not suitable for anyone under 18 years old.	✗
18-40	This age group is within the target market for The M&G ISA however other products such as a Lifetime ISA may be more appropriate for clients under age 40 depending on their specific needs and objectives.	✓
41-85	This is the main target market for those looking for potentially better investment returns than investing in cash.	✓
Over 85	Not in the main target market as less likely to be able to invest for the minimum 5-10 years investment horizon.	—

Target market – investor's financial situation

Investor's financial situation	Description	Appropriate for target customer?
Constrained (No funds to invest)	Not suitable for their needs.	✗
Limited (Less than 3-6 months' income in savings)	May be suitable as the investor has limited savings and/or is able to make a fair level of ongoing contributions with the potential to build moderate savings.	✓
Good (At least 3-6 months' income in savings)	• May be suitable if the investor has remaining ISA Allowance and/or existing ISA funds to transfer to The M&G ISA. • Not suitable if the investor has no remaining ISA Allowance and/or no existing ISA funds to transfer to The M&G ISA.	✓ ✗

Target market – investor's risk tolerance

Risk tolerance	Description	Appropriate for target customer?
Zero	The M&G ISA isn't a Cash ISA and doesn't offer any funds that protect against capital loss.	✗
Low to Medium Medium Medium to High	The M&G ISA offers access to M&G's range of active and passive OEIC funds. The funds span a range of risk levels and typically include 'building block' type funds for use within a diversified portfolio – which may or may not all be invested with M&G – according to the investor's attitude to investment risk.	✓
Very High	The available fund choice doesn't extend to the highest risk rating, but concentrations of high-risk investments may be suitable as part of a wider diversified portfolio.	—

Key: ✓ Yes ✗ No — In some circumstances

Target market – investor's needs and objectives

Need/Objective	Description	Appropriate for target customer?
Traditional servicing	The investor prefers to deal over the phone and receive paper statements by post. Limited online servicing is available.	✓
General savings	The investor is looking to build a tax efficient investment holding and has sufficient ISA allowance to contribute to and/or have existing ISA funds to transfer in.	✓
ISA consolidation	The investor is looking to consolidate their ISA assets together into one place for economies of scale and efficient management.	✓
Tax-efficient investment growth	The investor is looking for investment returns in excess of those available from cash, in a tax-efficient manner and suited to the level of risk they are comfortable with.	✓
Flexible income	The investor is looking for the ability to take one-off and/or regular withdrawals, to cater for changing personal needs and circumstances.	✓
Passing on ISA on death	The investor is looking to be able to pass on the value of their ISA to their spouse / civil partner on their death.	✓
Medium-to long-term investment horizon (normally at least 5-10 yrs)	The investor is looking to invest for the medium to long term as part of long-term income planning.	✓
Under 40s looking to build savings for retirement and/or first house purchase	A Lifetime ISA may be better suited to the investor.	—

Who are the M&G ISA not suitable for?

Need/Objective	Description	Appropriate for target customer?
Digital service	The product is not suitable for an investor who prefers to wholly engage with the product digitally for lower charges (eg, deal online and pick up their documents in their online document store). There is limited online servicing available.	✗
Short-term investment horizon	The product is not suitable for an investor looking to invest only for a very short period, ie, less than five years.	✗
Capital preservation	The product is not suitable for an investor primarily looking for preservation of existing capital in all circumstances (ie, they have no tolerance for investment risk).	✗
Very high investment risk	The product is not suitable for investors looking for very high-risk investments.	✗
Guarantees	The product is not suitable for investors looking for a guaranteed return of at least their money back or a level of guaranteed return on their investments.	✗
Inheritance Tax planning	The product is not suitable for an investor looking to minimise any inheritance tax which may apply.	✗

Key: ✓ Yes ✗ No — In some circumstances

How can you invest in this product?

Initial sale		Appropriate for target customer?
Execution-Only*	The M&G ISA is available on an execution-only basis.	✓
Non-Advised**	The M&G ISA is available on a non-advised basis.	✓
Advised***	The M&G ISA is available on a direct advised basis. No adviser charging is facilitated.	✓

Top-ups		Appropriate for target customer?
Execution-Only*	Single and/or regular contribution top-ups and additional transfers-in can be made by customers on an execution-only basis.	✓
Non-Advised**	Single and/or regular contribution top-ups and additional transfers-in can be made by customers on a non-advised basis.	✓
Advised***	Single and/or regular contribution top-ups and additional transfers-in can be made on a direct advised basis. No adviser charging is facilitated.	✓

Key: ✓ Yes ✗ No — In some circumstances

* Execution-only covers situations where the investor has an adviser but is transacting without advice.
** Non-Advised is where an investor doesn't have an adviser.
*** Advised is where an investor has an adviser and has taken advice.

M&G Investments

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