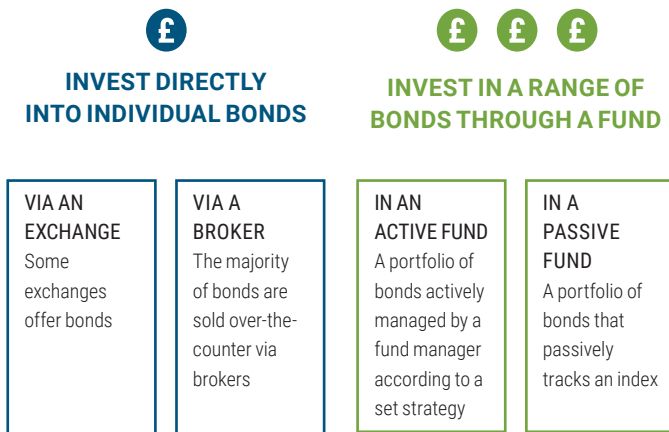


# 5 things you need to know about how to invest in bonds

People looking to invest in bonds should consider several key factors before making a commitment. Here are five key things to consider when investing in bonds.

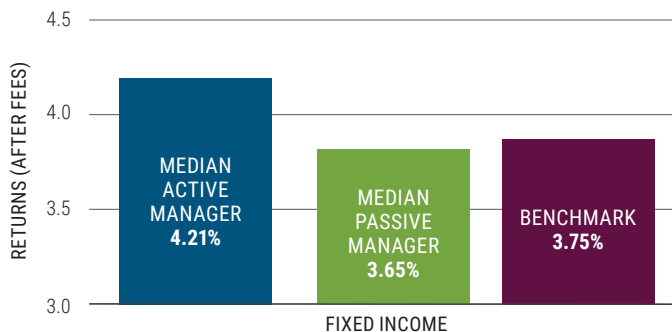
## ACCESSING BONDS

There are many different ways for investors to access the £75 trillion global bond market.



## ACTIVE VS. PASSIVE INVESTMENT

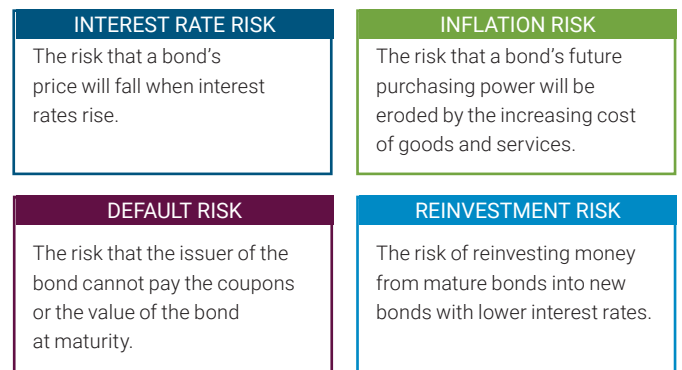
Active managers use their expertise to manage risks and select investments. As the chart below shows, active fixed income managers outperformed passive managers and the benchmark index over the 10-year period ended 31 December 2019.



Source: Morningstar Based on Morningstar U.S. Fund Intermediate Core and Intermediate Core-Plus categories. Institutional share class. Benchmarks: Fixed Income = Bloomberg Barclays U.S. Aggregate Index.

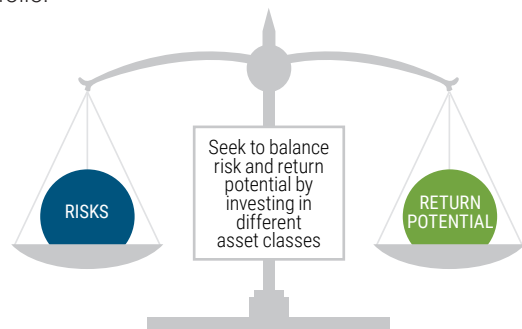
Past performance is not a guarantee or a reliable indicator of future results.

## THE RISKS OF INVESTING



## DIVERSIFICATION

Often described as financial markets' only free lunch, diversification is the mixture of assets or asset classes with low or negative correlation in a way that helps reduce overall risk. For example, holding both bonds and equities can help diversify a portfolio.



## COMPARING BONDS

Three key things to consider when choosing to invest in bonds or bond funds include:



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