

Conflicts of Interest Disclosure Statement

1. Introduction

It is a fundamental requirement for a financial services firm to identify and manage conflicts of interest. This is central to the duty of care we owe to our clients. M&G will use all reasonable endeavours to identify conflicts, manage them effectively and to treat our clients fairly.

This document seeks to provide a high level description of how conflicts of interest can arise in our business and how they are managed. M&G has numerous controls, policies and procedures in place to ensure that we manage conflicts when providing services or products to clients. Employees, directors and non-executive directors of entities within the M&G Group are required to follow them.

As M&G is a business unit within the Prudential plc group, actual or potential conflicts arising from that relationship have also been considered as part of this statement.

2. What conflicts could arise?

A conflict of interest may arise where competing obligations or motivations may damage the interests of a client.

In identifying the conflicts of interest that may arise when providing services to clients, we will take into account the following:-

- (a) A client is disadvantaged or makes a loss when subsequently an employee makes a personal gain or other advantage (*individual versus client conflict*);
- (b) A client is disadvantaged or makes a loss when subsequently M&G is then advantaged or makes a gain (*firm versus client conflict*);
- (c) A client makes a gain or avoids a loss when subsequently another client thereby makes a loss or is disadvantaged (*client versus client conflict*); and
- (d) An M&G or Prudential entity, director or employee benefits at the expense of a third party (*group conflict*).

3. How are conflicts managed?

We are required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of its clients the interests of clients.

We have a strong culture of managing conflicts of interests in M&G and this is supported by a number of processes and policies. We provide all staff with awareness and understanding of how conflicts could arise within our business, using periodic face to face training, as well as computer based training, to ensure all staff have a clear understanding of the principles behind conflicts of interest and have the necessary skills and expertise to identify conflicts if and when they arise.

There are a number of group wide policies and procedures designed to ensure that every employee in the business is personally responsible for highlighting and managing conflicts of interest. These policies ensure that once a conflict has been identified, it is managed in a way that gives reasonable assurance that there is no material risk of damage to the interests of clients.

Steps taken by M&G to manage actual and potential conflicts include the following:

- (a) Effective procedures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients.
- (b) The separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict.
- (c) The removal of any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities.
- (d) Measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.
- (e) Reporting lines which limit or prevent any person from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary services or activities.
- (f) As required by the M&G Code of Ethics, all employees are required to identify and disclose any personal associations that may give rise to an actual or perceived conflict of interest.
- (g) Internal guidance and training on the identification of possible issues of conflict as they arise.
- (h) Escalation procedures which ensure that issues identified are referred to and considered at the appropriate level within M&G; and
- (i) Other relevant policies and procedures, including the personal account dealing requirements in the Code of Ethics, the Gifts & Hospitality Policy and the Anti-Bribery and Corruption Policy.

Overall responsibility for the oversight of conflicts resides with the M&G Conflicts of Interest Committee, a sub-committee of the M&G Group Limited Board. The Committee assists the Board in discharging its responsibility for embedding an appropriate culture and acting consistently with its duty to deliver fair outcomes to customers. The highest standards of integrity and ethical conduct are expected of employees at all times.

4. **Disclosure**

Conflicts and potential conflicts of interest are reviewed regularly and where it is not possible to manage an actual or potential conflict satisfactorily we will disclose this to you.

5. **Scope of Statement**

This statement is issued for and on behalf of M&G Group Limited, and the following operating subsidiaries:-

Regulated Operating Subsidiaries	
M&G Investment Management Limited	M&G Investments (Hong Kong) Limited
M&G Alternatives Investment Management Limited	M&G Investments (Singapore) Pte. Limited
M&G Securities Limited	M&G Real Estate (Luxembourg) S.A.
M&G Financial Services Limited	M&G Real Estate Asia Pte Limited
M&G International Investments Limited	M&G International Investments Switzerland AG
Unregulated Operating Subsidiaries	
M&G Real Estate Limited	Prudential Trustee Company Limited