

## M&G LAUNCHES MULTI ASSET SUSTAINABLE ALLOCATION FUND

**London, 25 February 2019** - M&G Investments, one of the leading international asset managers, announces today the launch of a UK-domiciled multi-asset fund incorporating environmental, social and governance (ESG) factors and investing in companies that aim to have a positive societal impact, whilst providing sustainable investments returns.

The M&G Sustainable Multi Asset Fund is managed by Maria Municchi and supported by deputy fund manager Steven Andrew.

The fund invests in a diversified range of asset classes from anywhere in the world including emerging markets (net allocation ranges: 20-80% in fixed income, 20-60% in equities and 0-20% in other assets) and will apply M&G's well established multi-asset philosophy, using dynamic asset allocation and an assessment of behavioural factors to identify those assets that present the most attractive opportunities aiming to provide a total return\* of 4 to 8% per annum over any five-year period. Asset allocation is the main driver of returns in the fund.

The fund uses an ESG approach with quantitative screening to ensure holdings exhibit high standards of ESG. Municchi will identify holdings to be added to the portfolio by:

- Screening out companies that are in breach of United Nations Global Compact Principles and that derive their revenue from specific sectors: tobacco, alcohol, adult entertainment, gambling, thermal coal, defence and weapons\*\*
- Using proprietary internal, and third-party, screening of ESG-rated companies

Additionally, the M&G Sustainable Multi Asset Fund will have a core holding of impact assets which will constitute on average around 20% of the portfolio. These assets are considered to have a positive societal impact with a focus on the United Nations Sustainable Development Goals.

As part of M&G's Positive Impact team, Municchi will work with colleagues from across the business to identify a watchlist of potential impact investments. The impact assets may be from all listed asset classes including equities, green and social bonds, infrastructure or specialty funds.

**Maria Municchi, M&G Sustainable Multi Asset Fund** manager said, "Financial returns should remain the foremost objective of investing, but the way in which we choose to invest can make a difference beyond just those returns. Some of the biggest challenges the world is facing, from climate change to population growth, from corruption to pollution, need addressing urgently. By considering how your investments might affect society and the environment, you can choose to contribute towards a sustainable future."

**Andrew Watson, Head of UK Wholesale Sales at M&G Investments, says:** "The M&G Sustainable Multi Asset Fund offers investors a unique proposition; a flexible multi-asset portfolio using the asset allocation expertise of M&G's multi-asset team, coupled with a sophisticated ESG approach for a sustainable outcome.

"We are actively expanding our range of ESG-focused investment strategies to meet the growing demand for funds that offer strong returns, whilst allowing clients to align their investments more closely to their environmental and social values. Multi-asset offers a unique risk/return proposition and is ideally-suited to a dynamic ESG fund where sustainability and positive impact investing are key features."

A Luxembourg-domiciled version of the Fund, aimed at investors based outside the UK, was launched on 6 December 2018.

*\*The combination of capital growth and income*

*\*\* The fund will filter out companies that derive more than 5% of their revenues for producers, or 10% of their revenues for distributors, from the following sectors: tobacco, alcohol, adult entertainment, gambling or thermal coal. In addition, and on a best effort basis, subject to source information, companies that derive any revenue from defence and weapons are excluded.*

**For more information, please contact:**

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**Notes to editors:**

**Maria Municchi**

Maria Municchi joined M&G in 2009 and is a member of the Multi-Asset team. She is the deputy fund manager of the M&G Episode Income Fund and the M&G (Lux) Income Allocation Fund. Before joining M&G, Maria worked at Barings and UBS Asset Management. She has an MSc in international management and finance and is a CFA charterholder.

**Steven Andrew**

Steven Andrew joined M&G in 2005 as a member of the portfolio strategy & risk team, before moving to the Multi Asset team, where he helped to formulate asset allocation strategies for M&G's multi-asset fund range. In November 2010, Steven was appointed manager of the M&G Episode Income Fund. Three years later, he became manager of the M&G Income Allocation Fund upon its launch. Steven began his career at the Bank of England in 1987 and subsequently worked at F&C Asset Management and Merrill Lynch before joining M&G. He holds a BSc (Hons) degree in financial economics from the University of London.

**About M&G Investments**

M&G Investments is part of M&G Prudential, a savings and investment business which was formed in August 2017 by our parent company, Prudential plc and has £341.9 billion of assets under management (as at 30 June 2018). M&G Prudential has over 7 million customers in the UK, Europe, Asia and the Americas including individual savers and investors, life insurance policy holders and pension scheme members.

M&G Prudential is set to demerge from Prudential Plc to become an independent company listed on the London Stock Exchange.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate. M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme. Its £30 billion property arm has a sector leading approach to responsible

property management and is committed to continuously improving the sustainability performance of its funds.

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