

M&G INVESTMENTS LAUNCHES POSITIVE IMPACT FUND INVESTING IN LISTED EQUITIES

London, 25 February 2019 - M&G Investments today announces the launch of an equity fund investing in sustainable companies that aims to have a positive societal impact through addressing the world's major social and environmental challenges, whilst providing attractive investment returns.

The M&G Positive Impact Fund is managed by John William Olsen, with Ben Constable-Maxwell, Head of Sustainable and Impact Investing at M&G, taking the lead on the fund's impact assessment, measurement and Environmental, Social and Governance (ESG) characteristics.

The fund will invest in a broad range of companies, including those in emerging markets, that focus on having a positive societal and environmental impact and will aim to deliver a higher total return* than the MSCI All Countries World Index over any five-year period. It is a concentrated portfolio holding up to 40 companies.

The M&G Positive Impact Fund will focus on the impact of companies whose aim is to address a societal issue. In this context, the traditional definition of 'Impact' has been expanded from the impact that investment would have on a business, to the impact of the company on society at large.

The fund is diversified around six main impact areas: climate solutions, clean air, water and land, the circular economy, better health, work conditions and social equality. Across these areas, the fund invests in three types of impactful companies: 'pioneers', 'enablers' and 'leaders'.

Olsen and Constable-Maxwell are supported by M&G's Positive Impact Management team who produce research and define the fund's investable universe by reaching consensus on the impact of all potential investments. The team screens investments by undertaking a 3-point analysis covering the investment case, intentions and impact of each company. This framework is a practical means of scoring candidate companies for the fund, and creating a watch-list of high quality, sustainable companies for the manager to choose from when the timing and opportunity are right. The fund embraces the United Nations Sustainable Development Goals (SDG) framework.

John William Olsen, M&G Positive Impact Fund manager said, "Our investment process means we're constantly researching and measuring the impact of the companies in which we're investing, as opposed to applying a static screen. It's more labour intensive, because each investment must undergo a thorough Impact analysis and get the full agreement of the team, but we will not compromise on the impact element of our proposition."

Graham Mason, Chief Investment Officer for M&G equity, multi-asset and retail fixed interest said, "Impact investing is important to us, and our customers. With the launch of this fund, impact investing is now more accessible to a wider base of our customers, and those looking for access to companies making a positive difference, either to society or the environment in which they operate, while aiming to deliver excellent investment performance."

**The combination of capital growth and income*

For more information, please contact:

Magdalena Andrzejewska
M&G Corporate Communications
+44 (0) 203 790 2152
magdalena.andzejewska@mandg.co.uk

Irene Chambers
M&G Corporate Communications
+44 (0) 207 004 4132
Irene.chambers@mandg.co.uk

Notes to editors:

Within the Fixed Income business, the M&G Impact Financing Fund launched to invest predominantly in private and illiquid debt to achieve a positive social or environmental impact: <https://www.mandg.com/news-and-media/press-releases/2018/04/impact-financing-fund/>

John William Olsen

John William Olsen joined M&G in April 2014 and was appointed fund manager of the M&G Global Select Fund and M&G Pan European Select Fund in July 2014. He was later appointed deputy manager of the M&G Pan European Select Smaller Companies Fund in July 2016. John William joined M&G from Danske Capital, where from 2002 he had managed non-domestic equity portfolios, including the Global Stock Picking and Global Select equity funds, and the European Select strategy. He joined Danske Capital in 1998 as a fund manager on the domestic Danish equities team, and in 2000 also became a global sector analyst focusing on technology and telecommunications stocks. John William gained a BA in business economics and then an MSc in finance and accounting from Copenhagen Business School.

Ben Constable-Maxwell

Ben Constable Maxwell joined M&G in 2003 and is Head of Sustainable and Impact Investing within the equity, multi-asset and retail fixed interest business. Ben has been central to the integration of ESG within M&G's investment processes and has supported the development of M&G's ESG solutions for clients across asset classes. He is a founding member of M&G's Responsible Investment Advisory Forum, overseeing ESG-related activities at M&G, and is a member of the Investment Association's Sustainability & Responsible Investment Committee. Prior to joining M&G, Ben spent four years at Invesco Perpetual Asset management. He graduated from the University of Newcastle-upon-Tyne with an honours degree in Classics.

About M&G Investments

M&G is a leading international asset manager with a long-term, active approach to investing. The firm has been helping people to prosper by putting their money to work for more than 85 years. M&G's customers include private investors, members of pension schemes and life insurance policyholders. Responding to the ever-changing financial landscape, the firm has developed a wide range of investment solutions, across equities, fixed income, real estate, multi asset and infrastructure. At 30 June 2018 M&G manages £285.8 billion in assets for its customers.

Headquartered in London, M&G employs over 2,000 people worldwide in 16 countries, managing assets in Europe, Asia and the US. M&G is the asset management arm of Prudential Plc in the UK and Europe.

As a steward of clients' assets M&G recognises the importance of responsible investing with the analysis of environmental, social and governance (ESG) factors core to the business. M&G is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Program, which is dedicated to achieving the long-term goal of building climate resilient economies. M&G's £27 billion real estate business arm has a sector leading



approach to responsible property management and is committed to assessing and improving the sustainability performance of its funds.

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