

M&G Announces Changes to the M&G (Lux) Sustainable Allocation Fund

- *The inclusion of a sustainable investment objective and additional changes will see the fund recategorised to SFDR Article 9*

London, 7 April 2022 – M&G today announces a series of enhancements to the M&G (Lux) Sustainable Allocation Fund (“the Fund”), including the addition of a non-financial objective to supplement the Fund’s financial objective. The changes are effective from 20 May 2022 and the Fund will be recategorised to Article 9 under the EU Sustainable Finance Disclosure Regulation (SFDR).

Whilst Environmental, Social and Governance considerations have always formed part of the Fund’s investment objective, the inclusion of a specific sustainable objective will further enhance its ESG profile and provide greater clarity for investors on what the ESG outcomes the Fund seeks to achieve. In addition, the introduction of a set of key sustainable indicators will allow investors to access the Fund’s contribution to a sustainable economy through environmental and / or social goals, in particular climate change mitigation.

From the 20 May 2022, the Fund’s investment objectives will be:

- Financial objective - which remains unchanged: to provide a total return (capital growth plus income) of 4-8% per year over any five-year period; and
- Sustainable objective: to contribute to a sustainable economy by investing in assets supporting environmental and/or social goals, in particular climate change mitigation.

Maria Municchi, manager of the M&G (Lux) Sustainable Allocation Fund, M&G, says: “Since we launched the fund, investors have demonstrated an increasing interest in sustainability and attention towards how their capital is deployed in financial markets. This trend has amplified the depth and reach of investment opportunities and we now feel comfortable with strengthening the fund’s proposition through the conversion to SFDR art 9. We are establishing a sustainable objective, stricter investment criteria and key sustainability indicators that will help investors evidence their contribution towards achieving environmental and social goals. I believe that this renewed and in-depth focus on sustainability will truly differentiate the fund’s unique proposition in the multi-asset landscape, while delivering the fund’s financial objectives.”

Fabiana Fedeli, Chief Investment Officer, Equities and Multi Asset at M&G, says: “As the investment industry becomes increasingly more aware of its role toward a more sustainable future, our clients are requiring more ESG-orientated solutions. Over the long-term, we believe that companies whose products

and operations are managed sustainably will experience better operating performance and stronger growth over the long term. This Fund will leverage the team's solid experience in sustainability and impact investing to provide positive environmental and societal outcomes, alongside aiming to achieve attractive returns for our investors over the long-term."

A summary of the additional key changes is as follows:

- Additional investment restrictions will apply to the Fund's investment universe.
- The Fund's Investment Strategy will be updated to provide details on how it will select assets to meet its sustainable objective.
- A set of key sustainability indicators will be added to the Fund's ESG Criteria and Sustainability Criteria document (which is available on the Fund's page on the M&G website) to allow investors to assess how the Fund is performing against its sustainable objective.

Fund Description: The M&G (Lux) Sustainable Allocation Fund aims to provide combined capital growth and income of 4-8% per year over any five-year period and to contribute to a sustainable economy by investing in assets supporting environmental and/or social goals, in particular climate change mitigation. The fund normally invests in a range of assets globally as follows: 20-80% in bonds, 20-60% in equities and 0-20% in other assets. Typically, 20-50% of the fund is invested in companies that have a positive impact on society by addressing major social and environmental challenges. The approach combines research to work out the 'fair' value of assets over the long term with analysis of the economic fundamentals and short-term market reactions to events. There is no guarantee that the fund will achieve a positive return over any period. Investors may not get back the original amount they invested. The fund is actively managed and it has no benchmark.

The fund's sustainability-related disclosures can be found [here](#).

ESG information from third-party data providers may be incomplete, inaccurate or unavailable. There is a risk that the investment manager may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the portfolio of the fund.

The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested. The views expressed in this document should not be taken as a recommendation, advice or forecast. Please note, investing in this fund means acquiring units or shares in a fund, and not in a given underlying asset such as a building or shares of a company, as these are only the underlying assets owned by the fund.

-ENDS-

If you require any further information, please contact:

Notes to Editors

About M&G Investments

M&G Investments is part of M&G plc, a savings and investment business which was formed in 2017 through the merger of Prudential plc's UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G plc listed as an independent company on the London Stock Exchange in October 2019 and has over €441 billion of assets under management (as at 31 December 2021). M&G plc has customers in the UK, Europe, the Americas and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

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.

M&G plc has committed to achieve net zero carbon emissions on its total book of assets under management and administration by 2050 and committed to reduce operational carbon emissions as a corporate entity to net zero by 2030.

For more information, please visit: <https://global.mandg.com/>

To find out more on the financial terms used in this press release, please go to the **glossary**.

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