

M&G INVESTMENTS TO LAUNCH ONLINE SERVICE OFFERING LOWER FUND CHARGES; WILL STOP CHARGING INVESTORS FOR EQUITY RESEARCH

London, 22 May 2016 – M&G Investments ("M&G") is to offer lower fund charges to its direct customers who sign up to a new online service. All current and future customers invested directly in M&G ISAs and funds will be eligible for the new service, which is due to be launched later this summer.

The ongoing charge figure (OCF) for a typical M&G equity fund, such as the M&G Dividend Fund, will fall to 1.16% for all direct customers with at least £5,000 in their portfolios. The OCF of a typical M&G bond fund, such as the M&G Corporate Bond Fund, will fall to 0.91%. As an example, a direct investor with £2,500 in each of these two funds, who chooses to move to the new online service, will see the total annual charges he or she pays fall by £18.75.

In addition, while the transaction costs of M&G's retail equity funds, which cover dealing and external research, are already among the lowest in the industry, M&G will stop charging all investors for external research altogether from 1 January 2017. There will be no increase to the ongoing charge figure as a result of these changes; M&G will pay the costs of external equity research itself.

Michael McLintock, Chief Executive, M&G Investments, says: "The lower fund charges available through our new online service will help our customers' savings work as hard as possible, whether that's to provide an income in retirement today, or grow capital for the future."

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Notes to Editors

- 1) The ongoing charge figure (OCF) includes all charges except transaction costs (which include dealing commission and external research costs). The average transaction cost for an M&G equity fund ranks 4th lowest among 48 UK domiciled equity fund managers and promoters (according to Fitz Partners data, April 2016).
- 2) The OCFs quoted are fund OCFs as at 18 April 2016 adjusted to reflect the change in fund charges.
- 3) M&G discounted entry fees to zero for direct investors from January 2016.
- 4) All M&G's direct customers will be eligible to join the online service. Any direct investor with a combined total of £5,000 invested in funds with M&G will qualify for lower online fund charges.

About M&G

M&G is an international active asset manager, investing on behalf of individuals and institutions for over 80 years. At 31 December 2015 the firm manages over £246 billion of assets through a wide range of investment strategies across equities, fixed income, real estate and multi asset.

Headquartered in London, M&G employs over 1,900 people worldwide operating from offices across Europe and Asia.

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