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## **M&G to invest £5 billion in sustainable private assets through innovative new fund**

- New global team to target innovative opportunities, including enterprises tackling social and environmental challenges

M&G plc today announces that its £136 billion With-Profits Fund is to allocate up to £5 billion into privately-owned enterprises working to create a more sustainable world.

Part of the long-term savings of Prudential's 5 million UK customers will be channelled into meeting the rising global demand for capital from innovative responsible enterprises which are currently underserved by providers of institutional finance.

To implement this new mandate, M&G has created a new global investment team called Catalyst, with presence in London, Singapore, New York and Mumbai. The 25-strong team has the flexibility to invest in private credit, real and financial assets and private equity, enabling them to match the capital to the stage and nature of the opportunity and provide ongoing support as it grows.

Building on existing capabilities, examples of investments in the pipeline include SME and consumer financing, such as microfinance and trade receivables; asset and development financing such as affordable housing and energy from waste facilities, and technology investments with a positive social or environmental purpose.

The beneficiaries of this new strategy are customers in the Prudential With-Profits Fund, which includes PruFund. As the UK's largest with-profits fund, it offers investors access to a wide range of assets, across different asset types and countries, creating a diversified portfolio which spreads the risk of investment.

**John Foley, Chief Executive of M&G plc,** says: "More and more customers are asking us to make a positive difference to the world through sustainable investment, while also seeking good financial returns to underpin their retirement.

"Many of the most attractive opportunities to do this are in private assets – new and existing companies and platforms which are not listed on an exchange. As a cornerstone investor in such enterprises, M&G can have a much greater influence in supporting their growth and on sustainability than we can in public markets."

### **How Catalyst intends to make a positive difference**



Catalyst will sit within the Private & Alternative Assets business at M&G. With over two decades of experience in private asset investment, M&G already manages over £65.5 billion in private credit, private equity and real estate on behalf of Prudential policyholders and external clients.

Drawing on this expertise and track record in private assets, the Catalyst team will seek opportunities across the globe to invest in unlisted businesses which might otherwise struggle to access capital to develop and grow.

Catalyst will have a broad impact focus that flexibly encompasses ESG risk management through to positive impact for vulnerable groups. The team will use the Impact Management Project's investment classification framework to assess potential opportunities in three categories: 1. ESG - those businesses or assets which act to avoid harm; 2. Sustainable - those which benefit stakeholders by generating positive outcomes for people and the planet; and 3. Impact - those contributing solutions to societal and environmental challenges.

Screening to ensure businesses act to avoid harm will be based on criteria already established for all M&G ESG funds, which exclude sectors such as gambling, tobacco and controversial weapons. Positive screening will be through M&G's proprietary ESG scorecard, built on international SASB standards and the triple "I" framework for impact investing.

-ENDS-

Notes to Editors:

Size of the With-Profits Fund (£136 billion), number of Prudential customers (5 million) and size of Private and Alternative Assets team (£65.5 billion) all as at 30 June 2020.

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### About M&G plc

M&G plc is an international savings and investments business, managing money for both individual savers and institutional investors in 28 markets. As at 30 June 2020, we had £339 billion of assets under management and administration, around 5 million retail customers and more than 800 institutional clients.

With a heritage dating back more than 170 years, M&G plc has a long history of innovation in savings and investments, combining asset management and insurance expertise to offer a wide range of solutions. We serve our savings and insurance customers under the Prudential brand in the UK and Europe and for asset management in South Africa, and under the M&G Investments brand for asset management clients globally.



M&G 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.