News release

Marketing Communication

M&G Investments launches 'Step Into Equity Income' Fund for Italian savers seeking alternative to cash or fixed income

Milan, 15 September 2025 – M&G Investments today announces the launch[1] of the **M&G (Lux) Step Into Equity Income 2030 Fund** to provide Italian savers with a gradual transition from fixed income to equity markets with a focus on income generation.

The fund is being launched at a time when Italian households continue to hold a significant portion of their savings in bank deposits, which often yield little to no return and expose savers to the long-term risk of inflation. The 'step-in' mechanism, enables a gradual shift from fixed income to dividend-paying equities, which is designed to reduce volatility while aiming to generate sustainable income over the long term.

The launch reflects a broader shift in investor priorities. In today's market environment, income is no longer the exclusive domain of bonds. Equities are increasingly being recognised as a reliable source of income, offering not only attractive dividend yields but also the potential for those dividends to grow over time. This is particularly relevant in a context where inflation remains a long-term concern — and rising payouts can help preserve purchasing power over time, especially as increasing longevity makes dependable income essential for lasting financial security.

With a minimum investment of €1,000, it is an opportunity for savers who may be cautious about investing in equity markets and currently rely on traditional government bonds and bank deposits. At launch, the fund allocates 80% to fixed income—via M&G's actively managed investment-grade credit strategies—and 20% to global equity stocks with different drivers of dividend growth, aligned with the M&G Global Dividend strategy. Over the next five years, the fund will progressively rebalance its allocation, reaching 100% equity by 1 October 2030 [2].

The fund's equity component is managed by Stuart Rhodes, who has managed the M&G Global Dividend strategy since its inception in 2008. The strategy focuses on high-quality companies with growing dividends—an approach that has historically delivered compelling total returns with lower volatility.

Andrea Orsi, Country Head of Italy, M&G Investments, says: "In a world where inflation is persistent and the future is increasingly uncertain with geopolitics and changing demographics, keeping money idle is not an efficient strategy. This fund is designed to support Italian savers in taking their first steps into equity markets—where they gradually move from fixed income to equities with a strong focus on income generation."

Stuart Rhodes, Manager of the M&G Global Dividend strategy, adds: "Dividends provide an ideal solution, in our view, for investors looking for reliable, inflation-beating cash flows that can support their financial goals across market cycles. Dividend-paying equities, which can be found across a variety of sectors from the defensive areas of healthcare and consumer goods to the faster-growing realm of technology, can offer an

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[1] After launch, until 30 September the Fund will enter a Pre-Investment Period ("PIP"), during which the Fund will only invest in cash and near cash.

[2] Investment Policy: the Fund will deliver, on the First Day of the Investment Period, a target allocation of 80% Fixed Income and 20% Equity Income. Thereafter, 4% "Steps" into Equity Income will be taken each quarter. Target allocations will be achieved by investing as follows: Fixed Income allocation: through M&G managed UCITS which may have any fixed income investment strategies. The Fund may invest indirectly up to 20% in contingent convertible debt securities, up to 25% in asset-backed securities, up to a combined maximum of 30% in high yield and unrated securities, and up to 35% in government bonds and public securities. Equity Income allocation: through direct investment in equity securities and equity- related instruments, or via M&G managed UCITS which have equity income strategies.

attractive combination of income, growth, and resilience, especially when selected through an active, quality-focused lens."

This new fund reflects M&G's ability to understand the evolving needs of our distribution partners and to deliver tailored solutions for their clients.

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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 €414 billion of assets under management (as at 30 June 2025). 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 plc recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is targeting net zero emissions by 2050, across our investment portfolios and operations. For more information, please visit: www.mandg.com