

## M&G TO MERGE FUND INTO FLAGSHIP SUSTAINABLE MULTI ASSET STRATEGY

- *The M&G (Lux) Conservative Allocation Fund is to be merged into the M&G (Lux) Sustainable Allocation Fund*
- *The M&G (Lux) Sustainable Allocation Fund is the firm's flagship multi asset offering for sustainability and impact investing*

**27 July 2022** – M&G today announces its intention to merge the M&G (Lux) Conservative Allocation Fund (“the Merging Fund”) into the M&G (Lux) Sustainable Allocation Fund (“the Receiving Fund”). Both strategies follow a flexible approach to asset allocation but, as an SFDR Article 9 strategy, the Receiving Fund also seeks to have a positive societal impact through addressing the world’s major social and environmental challenges.

In recent years, investors have demonstrated an increasing interest in sustainability and attention towards how their capital is deployed in financial markets. Launched in 2018, the M&G (Lux) Sustainable Allocation Fund managed by Maria Municchi, seeks to provide a total return (capital growth plus 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 merger is in part due to both the reduced investor sentiment towards the Merging Fund and the backdrop in fixed income markets over the last few years, which made it challenging for it to consistently achieve its yield targets within its volatility parameters. The Receiving Fund typically holds a higher proportion of equities and lower proportion of fixed income securities than the Merging Fund, and M&G is taking action because the Receiving Fund provides investors with better potential for long-term returns without significantly increasing volatility.

**Fabiana Fedeli, Chief Investment Officer, Equities and Multi Asset at M&G, says:** “We believe that companies whose products and operations are managed sustainably will experience better operating performance and/or stronger growth over the long term. This merged strategy will leverage the team’s solid experience in sustainability and impact investing to provide positive environmental and societal outcomes, alongside aiming to achieve attractive long-term returns for our investors.”

Ahead of the merger, effective on Friday 21 October 2022, there will be a realignment of the M&G (Lux) Conservative Allocation Fund.

**-ENDS-**

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**Notes to Editors**

The Merging Fund targets a total return 3-6% per annum over any 3-year period, while the Receiving Fund aims for 4-8% per annum over any 5-year period.

**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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