

## M&G TO ALIGN UK EQUITY FUND WITH PARIS AGREEMENT GOALS

**London, 28 April 2022** – M&G today announces the proposed addition of a sustainable objective for the M&G UK Select Fund (“the Fund”), which will result in it investing in companies that contribute towards the Paris Agreement climate change goal. Evolving investment strategies to deliver more sustainable outcomes is a key part of M&G plc’s sustainability plans and is another step towards achieving net zero carbon emissions across its investment portfolio by 2050.

The Fund aims to invest in high quality sustainably run businesses that can compound value over the long term. The Fund looks for companies that are positively exposed to structural trends associated with society’s pivot towards sustainability. The concentrated Fund which usually holds shares in fewer than 50 companies, employs a bottom up stock picking approach. Under the proposals, the Fund will adopt norms, sector and values-based exclusions to companies whose activities are assessed to be damaging to human health, societal wellbeing, the environment, or otherwise assessed to be misaligned with the Fund’s ESG and Sustainability criteria.

It is proposed that the Fund, managed by Rory Alexander, will have additional criteria which will align it with the goals of the Paris Agreement. Companies eligible for the portfolio will either be:

- **Low Carbon Companies** with a weighted average carbon intensity lower than 50% of that of the Fund’s benchmark which is FTSE-All Share Index
- **Reducing Carbon Companies** committed to having in place science-based targets to reach net zero by 2050
- **Companies delivering solutions** to the challenge of climate change which are expected to become a Low or Reducing Carbon intensity company within five years of purchase, up to a maximum 10% Net Asset Value.

To better reflect the strategy as per the proposals, it will be renamed M&G UK Sustain Paris Aligned Fund. There will be no change to the Fund’s current financial objective which is to provide a higher total return (capital growth plus income), net of the Ongoing Charge Figure, than the FTSE All-Share Index over any five-year period.

**Rory Alexander, Fund Manager, says:** “We seek exposure to high quality sustainable businesses that will benefit from society’s evolution towards a lower carbon, healthier, more equal and connected

future. Over the long-term, we believe companies that operate in this manner have the potential to deliver superior investment returns for our customers and clients. Climate change is arguably the greatest challenge of our time and achieving the Paris Agreement’s climate objectives is of utmost importance. These proposals will drive even greater engagement with our investee companies which is crucial to drive positive change.”

**Alex Matcham, Head of UK Wholesale Distribution, comments:** “These proposals demonstrate our commitment to update and evolve our UK fund range to provide investors with greater clarity on the ESG outcomes they seek to deliver. The proposed name change better reflects this UK equity fund’s investment strategy and its focus on making long-term investments in sustainable companies combining characteristics including financial strength, competitive advantage and ability to sustain low carbon emissions.”

**ENDS**

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#### **Notes to Editors**

The proposals are subject to a shareholder vote. If approved, the changes will take place on Wednesday 13 July 2022.

#### **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 £370 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/>

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