

**M&G BEGINS PROCESS TO TRANSFER ASSETS FROM FOUR FUNDS
FOR NON-UK CLIENTS TO LUXEMBOURG**

- **Precautionary move ahead of the UK's exit from the European Union**
 - **Formal notification will be sent to fund shareholders today**

London, 10 January 2018 – M&G Investments is beginning the transfer process for the assets of four UK-domiciled open-ended funds to equivalent funds on its Luxembourg platform. All four funds are distributed exclusively to customers outside the UK. The transfer of assets is subject to fund shareholder approval.

With a cumulative market value of £9.3 billion, the four funds are: M&G European Inflation Linked Corporate Bond Fund, M&G Dynamic Allocation Fund, M&G Income Allocation Fund and M&G Prudent Allocation Fund. Their assets will be merging into the M&G (Lux) European Inflation Linked Corporate Bond Fund, M&G (Lux) Dynamic Allocation, M&G (Lux) Income Allocation and the M&G (Lux) Conservative Allocation funds respectively.

Formal notification of the proposals will be sent to shareholders in the funds on 10 January. Shareholders will then have four weeks to cast their votes. Details of the outcome of the votes will be available following Extraordinary General Meetings on 9 February 2018. In the event of a successful vote, full mergers of the four funds are expected to take place on 16 March 2018.

In advance of the vote, the M&G (Lux) Dynamic Allocation, M&G (Lux) Income Allocation and the M&G (Lux) Conservative Allocation funds will launch on 16 January 2018** due to client demand, while the M&G (Lux) European Inflation Linked Corporate Bond will be available once the merger is complete. The four Luxembourg SICAV funds will follow identical strategies to the current UK-domiciled funds and will be run by the same fund managers.

The Commission de Surveillance du Secteur Financier (CSSF) and the Financial Conduct Authority (FCA) have both given their approval to M&G's proposals.

Anne Richards, Chief Executive of M&G, said: "Following the referendum decision for the UK to leave the European Union, M&G has taken a series of precautionary measures aimed at protecting the interests of our international investors.

"These measures, which range from building up our SICAV offering to establishing a legal structure in Luxembourg, will ensure that our clients outside the UK retain access to our investment strategies regardless of the final agreement between the UK and the rest of Europe."

–ENDS–

Restricted

*Source: M&G Investments, as of 31 December 2017	AUM (GBP)	AUM (EUR)
M&G Dynamic Allocation Fund	6.4 billion	7.2 billion
M&G Income Allocation Fund	974 million	1 billion
M&G Prudent Allocation Fund	1.9 billion	2.2 billion
M&G European Inflation Linked Corporate Bond Fund	76 million	85 million

**The funds will be available for sale in: Austria, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the UK.

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Notes to Editors

About M&G

M&G is a leading international asset manager with a long-term, active approach to investing. The firm has been helping people to prosper by putting their money to work for more than 85 years. M&G's customers include private investors, members of pension schemes and life insurance policyholders. Responding to the ever-changing financial landscape, the firm has developed a wide range of investment solutions, across equities, fixed income, real estate, multi asset and infrastructure. At 30 September 2017, M&G manages over £285.3 billion in assets for its customers.

Headquartered in London, M&G employs over 2,000 people worldwide in 16 countries, managing assets in Europe, Asia and the US. M&G Investments is the investment arm of Prudential plc in the UK and Europe.

As a steward of clients' assets M&G recognises the importance of responsible investing with the analysis of environmental, social and governance (ESG) factors core to the business. M&G is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Program, which is dedicated to achieving the long-term goal of building climate resilient economies. M&G's £27 billion real estate business arm has a sector-leading approach to responsible property management, and is committed to assessing and improving the sustainability performance of its funds.

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