

## M&G invests over €100 million to boost entrepreneurship, job creation and poverty reduction in Southeastern Europe

**London, 8 May 2024** – M&G today announces a €107 million investment into one of the world’s largest impact vehicles - the €1.3 billion **European Fund for Southeast Europe** (the Fund) - which provides access to finance for underserved microfinance lenders and financial institutions in developing countries in the South East and East Europe.

Established to support financial ecosystems in markets with the highest need, advised by Finance in Motion, the Fund promotes entrepreneurship, job creation and poverty reduction. By investing into the region’s financial infrastructure, advised in Finance in Motion, it provides local businesses with the opportunity to thrive through the provision of financial products, technical assistance and access to finance for underserved communities.

Leveraging public capital from global entities like the European Commission and the European Investment Bank, the Fund is able to attract further significant private investment towards achieving its social and economic development aims. This blended finance model has provided micro, small and medium enterprise funding to more than 50,000 female-owned enterprises, while circa 2.1 million jobs have been indirectly supported by financing received through partner lending institutions since 2005.

The €107 million investment is anchored by M&G’s purpose-led private assets strategy, Catalyst, the £129 billion Prudential With-Profits Fund<sup>1</sup> and external funds managed by M&G’s Private Credit team. This is M&G’s second investment into an impact-driven public private partnership (PPP) model following a \$90 million investment into The Microfinance Enhancement Facility, which provides funding to more than 120 financial institutions in 44 countries globally.

“Partnering with EFSE enables us to channel impactful capital towards empowering households and micro-SMEs in the region” **says Eoin O’Shaughnessy, Co-Head of Structured Credit Research at M&G Investments.** “Our investment isn’t just about seeking financial returns; it’s about helping to make a tangible difference in people’s lives. By leveraging our expertise in PPP models, we’re able to amplify the flow of private capital to institutions that share our vision of fostering inclusive and sustainable economic growth. This investment isn’t just a financial decision; it’s a commitment to creating positive change on the ground.”

“This is the single largest private sector investment in the fund to date,” **says Andrea Haggmann, EFSE Board Chairperson.** “We are thus able to multiply the capital provided by public institutions through private capital and significantly increase the overall impact. M&G is a major institutional investor participating in impact investing. It brings an important new partnership with the private sector to the fund and complements existing partnerships with renowned investors.”

**-ENDS-**

**Notes to Editors**

1. £129 billion in assets under management as of 31 December 2023

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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 £343.5 billion of assets under management (as at 31 December 2023). 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.

**About EFSE**

The European Fund for Southeast Europe (EFSE), is an impact fund that takes a comprehensive approach to fostering economic development and prosperity in Southeast Europe and the EU Eastern Neighbourhood Region. By investing in local financial infrastructure that provides dedicated financing to micro, small and medium enterprises, the Fund supports the backbone of these regions' economy. As one of the largest MSME funds worldwide, it has a long and successful track record in building strategic partnerships with local financial players, providing tailored debt financing solutions, including local currency loans and targeted agri-financing. The Fund's investment activities are complemented by the nonfinancial support of the EFSE Development Facility, which builds capacities, facilitates knowledge exchange, and nourishes an environment for entrepreneurs to grow.

EFSE is advised by impact asset manager Finance in Motion and a private bank and asset manager Hauck Aufhäuser Lampe. More at: [www.efse.lu](http://www.efse.lu) ; [www.finance-in-motion.com](http://www.finance-in-motion.com). [www.hal-privatbank.com](http://www.hal-privatbank.com).

For more information, please visit: <https://global.mandg.com/>

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