

## M&G launches sustainable bond strategy with impact specialist responsAbility

**London, 23 October 2024** – M&G today announces the launch of its first sustainable corporate bond strategy in collaboration with responsAbility, the Swiss-based asset manager with a 20-year track record in impact investing, acquired by M&G in 2022. The **M&G (Lux) responsAbility Sustainable Solutions Bond Fund**, classified as Article 9 under SFDR, has been designed following active engagement with institutional and wholesale investors seeking sustainable active fixed income strategies.

Leveraging on M&G's deep credit expertise and responsAbility's long-standing track record on impact and sustainable investing, the team will follow a fundamental credit strategy, constructing a highly diversified portfolio of actively selected global investment grade bonds driving positive change in six distinctive areas: better health, better work & education, social inclusion, circular economy, environmental solutions and climate action. Investments will be mapped to the UN Sustainable Development Goals (SDGs) according to their contributions and bonds in the portfolio will either be:

- **Project financing bonds** – ESG bonds funding a specific project targeting either environmental (green bonds) or social outcomes (social bonds), or a combination of both (sustainability bonds).
- **Solution Provider Businesses** – Bonds issued by companies that actively address problems linked to environmental or social challenges through the core products and services they offer.

The Fund will be co-managed by Mario Eisenegger and Ben Lord who are long-standing members of M&G's €161 billion<sup>1</sup> global fixed income investment division. responsAbility will act as Investment Adviser, providing quality assurance and additional insights across sustainability themes and supporting the thorough analysis of M&G's industry-leading research teams. responsAbility will also be a voting member of M&G's independent Impact, SDG & Solutions Committee.

Ten years after the first corporate green bond was issued in 2013, the ESG bond market today presents investors with a growing universe of green, social and sustainability bonds. In the first three quarters of 2024, global ESG corporate bond issuance reached \$306 billion, accounting for 23% of the current total corporate supply in the European Investment Grade space<sup>2</sup>.

**Neal Brooks, Global Head of Product and Distribution at M&G, said:** "This strategy is testament to M&G's ability to combine its capabilities to create unique investment solutions that play to our strengths in active fixed income and responsAbility's market-leading impact credentials. The M&G (Lux) responsAbility Sustainable Solutions Bond Fund has been tailored to meet demand from pension funds, insurance companies and wholesale investors in Europe looking to align active public fixed income portfolios to positive change."

**Fund manager Mario Eisenegger added:** "One of the most effective ways for bond investors to contribute to the Sustainable Development Goals is by directly funding environmental and social projects and providing

financing to businesses that make a meaningful, positive contribution to the planet or society through their underlying business models. This fund does exactly that, giving the team a clear mandate to be laser-focused on these urgent priorities when putting our clients' money to work.

“Furthermore, the global reach and flexibility of this investment grade credit fund are beneficial for portfolio construction as these features enlarge the opportunity set for credit selection, improve diversification, and allow the fund to access sustainable solutions around the globe as they emerge.”

**Stephanie Bilo, Chief Client & Investment Solutions Officer, responsAbility, said:** “As pioneers in impact investing and with a solid 20-year track-record in delivering for our clients and societies in emerging markets, we know how crucial it is for investors to make sustainable decisions among the myriad of options available. We're very pleased to join forces with M&G's fixed income team for the first time, capitalising on the strength of our climate research capabilities and contributing to the sustainable focus of the portfolio. This is a great opportunity to combine our expertise and deliver to institutional and wholesale clients alike.”

The strategy is available to clients from 18 October 2024.

**-ENDS-**

**Notes to editors:**

<sup>1</sup> As end of June 2024

<sup>2</sup> Barclays Corporate ESG bond issuance: Q2 24 update

**Key Features of the M&G (Lux) responsAbility Sustainable Solutions Bond Fund**

- **Fund domicile:** Luxembourg
- **Fund structure:** SICAV
- **Fund currency:** EUR
- **Fund managers:** Mario Eisenegger & Ben Lord, with responsAbility acting as an Investment Adviser
- **Dual Investment objective:** financial objective: to provide a higher total return (capital growth plus income) than that of the sustainable global bond market over any five-year period; and sustainable investment objective: to contribute to a sustainable economy by investing in global bonds supporting environmental and/or social goals.
- **Benchmark:** Bloomberg Global Corporate Green Social Sustainability Bond Index
- **SFDR classification:** Article 9

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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 £346.1 billion of assets under management (as at 30 June 2024). 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).

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/>

### **About responsAbility Investments AG**

responsAbility Investments AG is a leading impact asset manager specializing in private market investments across three investment themes. These themes directly contribute to the United Nations Sustainable Development Goals (SDGs): Financial Inclusion, to finance the growth of Micro & SMEs; Climate Finance, to contribute to a net zero pathway; and Sustainable Food, to sustainably feed an ever-growing population. All responsAbility investment solutions target specific measurable impact alongside market returns.

Since its inception in 2003, responsAbility has deployed over USD 15.7 billion in impact investments. With over 270 employees collaborating across 8 offices, as of 30 September 2024 the company manages USD 5.1 billion in assets across approximately 300 portfolio companies in around 70 countries. Since 2022, responsAbility has been part of M&G plc, the international savings, and investments business, and contributes to enhancing M&G's capabilities in impact investing.

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