

## M&G LAUNCHES TWO SUSTAINABLE CREDIT STRATEGIES

- **New funds to be sustainable versions of flagship M&G European Credit Investment and M&G Total Return Credit Investment funds**

**London, 21 October 2021** – M&G today announces the launch of two new credit Luxembourg-based SICAV strategies combining M&G Public Fixed Income team's rigorous value-driven investment approach with sustainability factors.

The **M&G Sustainable European Credit Investment Fund**, managed by Gaurav Chatley and the wider Institutional Public Debt team, has been designed as a sustainable core proposition following the investment philosophy behind the strong 10-year track record of the €3.3bn M&G European Credit Investment Fund<sup>1</sup>. With a strict bottom-up, research-driven and value-based approach to individual credit selection, the fund will be able to invest across the European investment grade universe.

Following the same value-driven approach, 14-year track record fund manager Richard Ryan will lead the **M&G Sustainable Total Return Credit Investment Fund**, designed as a flexible sustainable bond proposition sharing the same investment philosophy behind the €2.5bn M&G Total Return Credit Investment Fund<sup>2</sup>. Capable of investing across the globe and with a focus on identifying attractive opportunities in developed markets, the fund will be able to invest in investment grade and high yield corporate bonds, while keeping the overall duration of the fund close to zero throughout the investment cycle.

The two funds, which will be classified as Article 8 under SFDR, will have sustainability factors at the core of their investment process. The teams will ensure environmental and social safeguards are in place and measure a range of additional sustainability indicators:

- **Avoidance of harmful issuers:** no exposure to companies deemed to be in breach of the UN Global Compact Principles of human rights, labour, the environment and anti-corruption, and countries classified as "Not Free" by Freedom House.
- **Less harmful to the climate:** the funds will typically have a lower weighted average carbon intensity than that of each funds' investment universe<sup>3</sup>.
- **More sustainable businesses:** promoting the inclusion of issuers with superior ESG characteristics and excluding ESG laggards<sup>4</sup>.

**David Lloyd, Head of Institutional Public Debt at M&G Investments comments:** “Investors are rapidly growing their appetite for sustainable and ESG-orientated solutions capable of meeting their long-term financial needs. M&G holds a long track record in providing clients with some of the best-in-class credit strategies, based on the same rigorous analysis and engagement we follow with ESG criteria. The funds we’re launching today have been designed with investors’ needs in mind, to strike the right balance between achieving favourable ESG outcomes while delivering attractive investment returns.”

#### ENDS

<sup>1</sup> M&G European Credit Investment Fund has EUR 3,3 billion of AUM (as of 30 September 2021).

<sup>2</sup> M&G Total Return Credit Investment Fund has EUR 2,5 billion of AUM (as of 30 September 2021).

<sup>3</sup> The investment universe for the M&G Sustainable European Credit Investment Fund will be EUR-denominated investment grade corporate bonds / The investment universe for the M&G Sustainable Total Return Credit Investment Fund will be global corporate bonds

<sup>4</sup> ESG laggards are issuers classified as ESG laggard based on MSCI (ESG rating of B or CCC) unless our in-house ESG assessment takes a different view.

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#### Notes to editors

##### About Gaurav Chatley

Gaurav joined M&G Investments in 2005 as an assistant fund manager in the fixed income team. He became a Credit Fund Manager, managing a range of institutional corporate bond funds, in 2006. Prior to joining M&G, Gaurav worked for London and Capital Asset Management as an investment analyst, with responsibility for the analysis of quantitative investment strategies. Gaurav graduated from the London School of Economics with a MSc. in Finance and Economics and holds a degree in Mathematics and Scientific Computing from the Indian Institute of Technology. He is a CFA charterholder.

##### About Richard Ryan

Richard joined M&G Investments in 2001 and is a senior credit fund manager looking after Pan European credit strategies, absolute return strategies and fixed income asset allocation. Prior to joining M&G, Richard worked for Nomura Asset Management as an institutional fixed income fund manager. Before this, he worked for Dresdner Kleinwort Benson in the Credit Products Group trading corporate bonds. Richard graduated from Southampton University with a degree in Economics.

#### M&G’s ten point sustainability plan, [published in May 2021](#)

1. Develop a pathway to net zero 2050
2. Integrate ESG into investments and accelerate engagement
3. Grow the Planet+ fund range
4. Set standards in sustainability and ESG policies
5. Set standards in disclosure and measurement

6. Help customers and their advisers to understand opportunities, risks and outcomes of sustainable investing
7. Lead collective action to deliver change
8. Develop pathway to net zero 2030 and set an example in corporate sustainability practices
9. Be diverse and inclusive in the business and as an investor
10. Align all M&G's people behind its sustainability ambition

### 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 €431 billion of assets under management (as at 30 June 2021). M&G plc has over 5 million 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.

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*Before subscribing you should read the Prospectus, which includes a description of the investment risks relating to these funds. Please read the KIID before making a decision to invest. The information contained herein is not a substitute for independent investment advice.*

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