

**London, 16 May 2018**

Following the Brexit Referendum in June 2016, at M&G we have taken a series of measures to protect your interests as the UK negotiates its exit from the European Union, including the transfer of the assets of our Allocation range and M&G European Inflation Linked Corporate Bond Fund to our Luxembourg platform last March.

Today we are taking another step in this direction and, subject to regulatory and shareholder approval, we are proposing to transfer non-sterling share classes of 21 of our UK-domiciled OEIC funds to equivalent SICAV strategies. The new Luxembourg SICAV funds will follow the same investment strategies as the current UK-domiciled funds and will be run by the same fund managers.

We are including in this initiative the most relevant funds for our customers outside the UK, the full list of which can be found below.

We will be writing to investors from September this year with final detail on our plans and timings.

In the meantime, we remain at your disposal for any questions or comments.

M&G Investments.

<b>FUNDS IMPACTED. Source: M&amp;G Investments, as of 30 April 2018</b>		
<b>Non-sterling share classes transferring from these UK-domiciled OEICs:</b>	<b>... To these Luxembourg-domiciled SICAVs</b>	<b>AUM</b>
M&G Asian Fund	M&G (Lux) Asian Fund	€239 million
M&G Emerging Markets Bond Fund	M&G (Lux) Emerging Markets Bond Fund	€676 million
M&G Episode Macro Fund	M&G (Lux) Episode Macro Fund	€283 million
M&G European Corporate Bond Fund	M&G (Lux) European Corporate Bond Fund	€1,65 billion
M&G Global High Yield Bond Fund	M&G (Lux) Global High Yield Bond Fund	€63 million
M&G European Strategic Value Fund	M&G (Lux) Euro Strategic Value Fund	€2.7 billion
M&G Global Floating Rate High Yield Fund	M&G (Lux) Global Floating Rate High Yield Fund	€3.5 billion
M&G Global Convertibles Fund	M&G (Lux) Global Convertibles Fund	€1.3 billion
M&G Global Corporate Bond Fund	M&G (Lux) Global Corporate Bond Fund	€13 million
M&G Global Dividend Fund	M&G (Lux) Global Dividend Fund	€2.8 billion
M&G Global Emerging Markets Fund	M&G (Lux) Global Emerging Markets Fund	€1 billion
M&G Global Macro Bond Fund	M&G (Lux) Global Macro Bond Fund	€791 million
M&G Global Select Fund	M&G (Lux) Global Select Fund	€110 million
M&G Japan Fund	M&G (Lux) Japan Fund	€168 million
M&G Japan Smaller Companies Fund	M&G (Lux) Japan Smaller Companies Fund	€170 million
M&G North American Dividend Fund	M&G (Lux) North American Dividend Fund	€164 million

M&G North American Value Fund	M&G (Lux) North American Value Fund	€319 million
M&G Optimal Income Fund	M&G (Lux) Optimal Income Fund	€22.6 billion
M&G Pan European Dividend Fund	M&G (Lux) Pan European Dividend Fund	€108 million
M&G Pan European Select Fund	M&G (Lux) Pan European Select Fund	€54 million
M&G Short Dated Corporate Bond Fund	M&G (Lux) Short Dated Corporate Bond Fund	€110 million
<b>Total AUM in non-sterling share classes transferring to M&amp;G's Luxembourg range</b>		<b>€39 billion</b>