

M&G PROPOSES CHANGES TO AMERICAN FUND

- *Proposal to align the fund with M&G's equity income fund range*

London, 13th February 2015 - M&G Investments ("M&G") is writing to shareholders of the M&G American Fund to propose the adoption of a dividend growth investment strategy.

The proposed investment strategy is already applied across M&G's equity income fund range, with fund managers seeking to invest in companies which can achieve long-term dividend growth.

The change to investment objective and policy of the fund requires a fund shareholder vote and for at least 75% of votes to be cast in favour. The results of the vote will be announced at an EGM on the 13th March 2015.

M&G is also proposing to change the name of the fund to the M&G North American Dividend Fund, which it believes will more clearly reflect the fund's geographic scope and investment approach.

Charges will be taken from the fund's capital rather than its income in order to increase the amount of distributable income. The frequency of the fund's distribution payments will increase from yearly to quarterly, in line with the dividend payment schedule of US companies. The fund manager will aim to grow fund distributions over the long term.

In the event of a successful vote, M&G will take the opportunity to appoint a new manager to the fund. Aled Smith will hand over the running of the fund to John Weavers, who has been part of M&G's equity team since joining the firm in 2007.

The appointment also reflects M&G's commitment to nurture home-grown talent. John has worked with the team running M&G's equity income funds since January 2012.

Only the change to investment objective and policy requires shareholder approval. If approved, all changes will be effective on the 28th April 2015, with the exception of the change of distribution frequency, which will be effective on the 31st August 2015.

M&G's equity income fund range includes the M&G Global Dividend Fund, managed by Stuart Rhodes, the M&G Pan European Dividend Fund and the M&G Dividend Fund, both managed by Phil Cliff.

- Ends -

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Notes to Editors

About M&G

M&G is an international active asset manager, investing on behalf of individuals and institutions for over 80 years. At 30 September 2014 the firm manages over £257 billion of assets through a wide range of investment strategies across equities, bonds, property and multi asset.

Headquartered in London, M&G employs over 1,500 people worldwide operating from offices across Europe and Asia.

M&G's history is a story of investment firsts, from the UK's first mutual fund in 1931 to the Inflation Linked Corporate Bond Fund in 2010.

John Weavers joined M&G as a graduate in 2007, initially working as an analyst in the equity research team. He has been part of the team running M&G's equity income funds since January 2012 and has been involved in fund management since April 2013 when he was appointed deputy fund manager of the M&G Pan European Dividend Fund and the M&G Dividend Fund. John graduated from Oxford University in 2006 with an honours degree in politics, philosophy and economics. He is a CFA charterholder.

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