

PRESS RELEASE

15 September 2021

Shareholding changes and new global identity for Prudential Investment Managers

Key Takeaways:

- **M&G plc raises shareholding in Prudential to 50.12%**
- **Prudential to change its name to M&G Investments**
- **Prudential reaches B-BBEE Level-1 Status**

We are very pleased to report that, following our announcement in March 2021, Prudential has received approvals from all of the necessary regulatory authorities for our proposed small ownership changes, and the transactions were concluded in July 2021. M&G plc, the London-listed global financial services group, has completed its purchase of a further stake in our Southern Africa holding company, to return to a position of majority shareholder. Consequently, Prudential Investment Managers will be changing our identity to **M&G Investments** before the end of 2021.

Following M&G's strategic decision in 2019 to expand its global investment management presence, it was a logical step forward for M&G to seek closer ties with Prudential Southern Africa, in which it has owned a material stake since inception. It has now added Southern Africa to its centres of investment expertise based in London, Paris, Singapore and Chicago.

M&G plc has increased its ownership in Prudential by 0.13%, from 49.99% to 50.12%. In a parallel cash-funded transaction, the Prudential Staff Investment Company (PSI) raised its shareholding from 28.01% to 28.08%. Thesele Group, Prudential's black empowerment partner for the past 14 years, decreased its shareholding from 22.0% to 21.8%.

The small sale by Thesele did not impact our B-BBEE rating. In fact, after the transaction at the end of July we received our first-ever FSC Level 1 rating. Prudential's B-BBEE shareholding is now 31.4%, and when the strategic M&G shareholding is excluded, 63.0% of Prudential's South Africa resident shareholding is now owned by black people.

Changing Prudential's identity to M&G Investments

As we more closely align with our majority shareholder and our international M&G colleagues, it makes sense for us to adopt the M&G Investments global investment management identity.

The name change will involve:

- Changing company names throughout the Prudential Southern Africa group, including subsidiaries in Namibia. For example, our main investment management company, Prudential Investment Managers (South Africa) (Pty) Ltd, is in the process of being renamed MandG Investment Managers (Pty) Ltd.

- Changing the names of all our institutional investment capabilities. For example, the “Prudential Core Equity” institutional proposition will change to “M&G Core Equity”.
- Renaming our South Africa- and Irish-domiciled unit trust funds to M&G; i.e. the “Prudential Balanced Fund” will become the “M&G Balanced Fund”.
- Changing our website and email domains, from prudential.co.za to mandg.co.za (in South Africa) and from prudential.com.na to mandg.com.na (in Namibia).
- Replacing Prudential's logo featuring the face of “Lady Prudence”, with the M&G Investments logo.

We will be working to phase in these changes before the end of 2021, subject to any regulatory approvals.

Impact on Prudential's fund management

As CEO Bernard Fick explains: “Our ownership and identity changes will have no impact on the way Prudential's unit trust funds or institutional mandates are managed. Our consistent investment process and philosophy remain the same. Equally, our local investment team and management structure remain unchanged. Our existing teams of experienced portfolio managers continue working on each of our funds, backed by a team of analysts focusing on specific sectors and companies.

“M&G and Prudential share a similar fundamental and valuation-based active investment process. In fact, our close collaboration over the past two decades, specifically in areas like global asset allocation, has already benefitted our clients and cemented our investment philosophy.”

Going forward

Adds Fick: “We are excited to be working more closely with M&G given their global scale and presence, with the goal of further enhancing our clients' investment outcomes. Successful investing these days requires global expertise with a global perspective. Return opportunities come from myriad sources that can best be identified by teams of experts who combine their knowledge to deliver outperformance for clients.

“These changes will give our clients access to global best investment ideas and solutions that have proven to be successful, including broad global investment themes and cutting-edge, technology-driven solutions.”

Examples span areas as diverse as:

- Machine Learning-driven funds that process large quantities of data much more efficiently and expeditiously than analysts could do on their own;
- Different types of sustainability- and impact-focused funds;
- International private (unlisted) equity;
- Investment funds targeting global listed and unlisted infrastructure and credit;
- ESG-centric, positive impact and climate-focused solutions, etc.

“We are proud to have been operating under such a historic and globally successful brand as Prudential for the past 27 years in Southern Africa,” Fick notes. “As this chapter closes and a new one opens, however, we are looking forward to taking advantage of the new opportunities open to us through M&G, which is an equally respected business around the world. As always, our aim remains to deliver even better returns to investors going forward.”

ENDS

For further information on the background to our ownership transactions, the history of M&G plc, the impact on areas such as B-BBEE, governance, and the expected benefits of our closer integration with M&G, please see our detailed [Q&A](#).

Also feel free to contact Lynn Bolin, Head of Communications and Media, for more information or to speak with Bernard, at 083 443 0105 or lynn.bolin@prudential.co.za.

About Prudential Investment Managers South Africa

Prudential is one of South Africa's top 10 investment managers, with approximately R270bn in assets under management as of the end of March 2021.

Established in 1994, we are part of the wider M&G plc group, one of Europe's largest active asset managers. Consistency plays a key role in our company ethos and investment process, having been dedicated to using the same prudent valuation-based investing philosophy for the past two decades. We take our responsibility as custodians of our clients' hard-earned savings very seriously. Not only are we long-standing active and engaged shareholders, but we are also signatories to the UNPRI (United Nations Principles for Responsible Investment) and CRISA (Code for Responsible Investing in South Africa). We consider environmental, social and governance (ESG) factors in our fundamental investment process and are committed to promoting black economic empowerment in the communities in which we live and do business in South Africa.

We offer our clients a full range of investment solutions to meet all risk and return requirements, from higher-risk equity unit trusts to multi-asset offshore funds managed by M&G investments. For more information, visit www.prudential.co.za.