

CAZENOVE

For immediate release

M&G AND CAZENOVE ANNOUNCE FUND OF FUNDS LAUNCH

M&G and Cazenove have today announced details of an agreement to launch a new range of multi-manager fund of funds in January 2003, subject to FSA approval. Under this exclusive partnership, M&G will become the sole distributor of Cazenove's multi-manager capabilities to the direct and intermediary retail markets.

The funds being launched in the New Year will include a UK Growth portfolio, plus Growth and Balanced portfolios, both of which will have international exposure. M&G will be responsible for sales and marketing of the new range, plus all customer and IFA service. Cazenove's experienced fund of funds team will be responsible for managing the portfolios. The funds will be co-branded by being labelled M&G, but managed by Cazenove.

Phil Wagstaff, Managing Director UK Retail at M&G, comments: "Cazenove's reputation in private client management is second to none and it has, for generations, selected third party funds on behalf of its clients. By combining Cazenove's robust and unique investment approach with M&G's extensive sales and marketing infrastructure, we have created a best-of-breed portfolio management solution which we feel will both support intermediaries and significantly grow the market."

Robin Minter-Kemp, Managing Director of Cazenove Investment Fund Management, comments: "We believe a multi-manager product will become a core holding of investors in the future. By joining forces with M&G, a market leader in consumer brand building, we think there is the opportunity to grow the multi-manager market and be one of the driving forces in increasing awareness of the benefits of this type of product."

M&G will be supporting the launch of the fund of funds portfolios with a series of investment roadshows and seminars from November to January and a significant consumer brand building and marketing campaign throughout the first quarter of 2003.

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Note to editors:

M&G

- M&G launched the UK's first unit trust in 1931 and has continued this history of innovation over the past 70 years
- M&G pioneered the fixed interest market in the UK with the launch of the M&G Corporate Bond Fund in 1994 and The M&G High Yield Corporate Bond in 1998
- M&G offers investors a range of over 45 funds available as an ISA or unit trust / OEIC
- M&G is the investment arm of the Prudential Group and has assets under management of more than £116 billion

Cazenove

- Cazenove's Multi-Manager Team is led by Mark Harries who joined Cazenove in 2001. He was previously a Vice President and Head of Asset Management at Prudential Bache International Bank. Mark is both a Fellow of the Securities Institute and an Associate of the Chartered Institute of Bankers and has a total of 17 years investment experience.

- The team also includes:

Simon Wood joined Cazenove in April 2001 and previously worked at AXA Investment Managers as the Head of the Discretionary Management Service with responsibility for both asset allocation and fund selection. He has over 15 years investment experience.

Lyndon Gill joined Cazenove in 1987. Lyndon has recently joined the Multi Manager team to research funds. Lyndon is a Fellow of the Securities Institute and has a total of 15 years investment experience.

Mark Sherwood joined Cazenove in March 1999. Previously he was a Director of Credit Suisse (UK) Ltd managing larger portfolios on behalf of mainly UK residents. Mark has a total of 19 years investment management experience.

Fund selection process:

- STEP 1 - The team screens the large number of funds available utilising sophisticated electronic performance data provided by independent sources. They seek to identify funds that have outperformed consistently over various periods of time.
- STEP 2 - The managers of the funds that pass screening and meet the team's criteria are sent detailed questionnaires.
- STEP 3 - The output from Steps 1 & 2 determine which managers the team would like to interview.
- STEP 4 - The findings of the research are analysed and then individual funds are selected for the portfolio.

Once selected, a fund is subject to regular monitoring and review, in order to ensure that it remains an appropriate choice to meet the investment objective and contribute to the returns of the fund.

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