

2 February 2023

Dear Investor

Important changes to

- **M&G Corporate Bond Fund**
- **M&G Emerging Markets Bond Fund**
- **M&G Gilt & Fixed Interest Income Fund**
- **M&G Global Convertibles Fund**
- **M&G Global Floating Rate High Yield Fund**
- **M&G Global Government Bond Fund**
- **M&G Global High Yield Bond Fund**
- **M&G Index-Linked Bond Fund**
- **M&G Strategic Corporate Bond Fund**
- **M&G Sustainable Global Corporate Bond Fund**
- **M&G Sustainable Global High Yield Bond Fund**

(Each a “Fund”, together the “Funds”)

This letter is for your information only and has been sent to you because you are invested in one or more Funds. You do not need to take any action, but we recommend that you read it carefully.

I am writing to inform you of the following changes:

1. Change to the target benchmarks for **M&G Corporate Bond Fund, M&G Global Government Bond Fund and M&G Strategic Corporate Bond Fund**

A Fund’s benchmark constitutes the target the fund manager seeks to outperform, and it is used as a point of reference against which investors can assess the relevant Fund’s performance over a set time horizon.

2. Change to the Value at Risk (“VaR”) methodology for all the Funds

VaR is one of the ways we measure the level of risk in a fund’s portfolio. It calculates, with a high degree of confidence, the maximum potential loss that is likely to arise under normal market conditions, over a one-month time horizon.

Please note that there will be no material change to the way in which the Funds are managed, nor to the types of investments they are allowed to hold. The changes will not result in any immediate changes to the Funds’ portfolios, and they will not impact the risk ratings as shown in the Funds’ Key Investor Information Documents.

continued overleaf

All changes will be effective from Monday 6 March 2023 (the "Effective Date").

1. Change to the target benchmarks for M&G Corporate Bond Fund, M&G Global Government Bond Fund and M&G Strategic Corporate Bond Fund

From the Effective Date, the target benchmarks for these Funds will change as follows:

Fund	Current target benchmark	New target benchmark
M&G Corporate Bond Fund	IA Sterling Corporate Bond Sector	iBoxx Sterling Corporates GBP Index
M&G Global Government Bond Fund	IA Global Government Bond sector	Bloomberg Global Treasury Index Unhedged USD
M&G Strategic Corporate Bond Fund	IA Sterling Corporate Bond Sector	iBoxx Sterling Corporates GBP Index

These Funds currently use Investment Association (IA) sectors as target benchmarks. The IA is the UK trade body that represents fund managers. Each IA sector is made up of similar funds, usually based on the types of assets which a fund should invest in, and may also have a geographic focus.

However there can be differences in the investment objectives and strategies of the funds that make up each IA sector. In addition, the share classes of each fund in an IA sector can be denominated in, or hedged to, different currencies. As a result, an IA sector's performance can be impacted by a variety of factors other than the value of the assets held by the funds in that sector.

With this in mind, we have concluded that the indices which will be used as new target benchmarks will provide a more accurate representation of each Fund's investment universe, and will be more relevant benchmarks against which to measure their respective performances. A significant number of the funds that are part of the IA sectors also use an index benchmark.

The Investment Objective and Benchmark sections in the Prospectus and Key Investor Information Documents will be updated, for each of these three Funds, to reflect this change. A full comparison of the current and updated Investment Objective and Benchmark wording can be found at the end of this letter.

2. Changes to the VaR methodology

Each Fund's VaR is currently calculated using a measure called the 'absolute' VaR methodology, which sets the VaR limit to 20% of its Net Asset Value ("NAV"). Under the new, 'relative' VaR methodology, the VaR limit for each Fund will be set to the maximum of two times the value of its benchmark's VaR.

The change will allow each Fund's risk level to change dynamically alongside that of its investment universe, so that the fund manager can better adjust the level of risk in any market condition whilst remaining within the remit of the Fund's Investment Policy. It will also help to avoid the need to sell assets at discounted prices in volatile markets.

continued

Making changes to your investment

You may sell your investment in the Fund(s), or switch to (an)other M&G OEIC fund(s), free of charge, at any point before or after the changes have taken place subject to our Terms and Conditions, which can be found in the Important Information for Investors document available on our website

www.mandg.co.uk/literature

Costs of the changes

M&G will bear all costs associated with the implementation of the changes, including legal and administrative costs.

For more information

If you have any questions about the changes please contact our **Customer Relations** team by calling **0800 390 390**. The team is available from 08:00 to 18:00, Monday to Friday, and from 09:00 to 13:00 on Saturday. To help us deal with your enquiry as quickly as possible please have your M&G client reference when calling us. For your security and to improve the quality of our service, calls may be recorded.

Please be aware that we are not in a position to give you investment advice. If you are uncertain as to how the changes may affect you, you should consult a financial adviser.

Yours faithfully



Laurence Mumford
Director
M&G Securities Limited

Encl: Comparison of previous and new wording for the Prospectus disclosures for:

- M&G Corporate Bond Fund
- M&G Global Government Bond Fund
- M&G Strategic Corporate Bond Fund

**Comparison of current and updated Prospectus disclosures for
M&G Corporate Bond Fund
M&G Global Government Bond Fund
M&G Strategic Corporate Bond Fund**

M&G Corporate Bond Fund	
Existing fund information (as listed in the Prospectus until 5 March 2023)	Updated fund information (to be listed in the Prospectus from 6 March 2023)
<p>Investment Objective</p> <p>The Fund aims to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than the average return of the IA Sterling Corporate Bond sector over any five-year period.</p>	<p>Investment Objective</p> <p>The Fund aims to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than the average return of the iBoxx Sterling Corporates GBP Index over any five-year period.</p>
<p>Benchmark</p> <p>IA Sterling Corporate Bond sector</p> <p>The benchmark is a target which the Fund seeks to outperform. The sector has been chosen as the Fund's benchmark as the Fund is a constituent of the sector. The benchmark is used solely to measure the Fund's performance and does not constrain the Fund's portfolio construction.</p> <p>The Fund is actively managed.</p> <p>The fund manager has complete freedom in choosing which investments to buy, hold and sell in the Fund.</p> <p>For unhedged Share Classes, the benchmark is shown in the Share Class currency.</p>	<p>Benchmark</p> <p>iBoxx Sterling Corporates GBP Index</p> <p>The benchmark is a target which the Fund seeks to outperform. The index has been chosen as the Fund's benchmark as it best reflects the scope of the Fund's investment policy. The benchmark is used solely to measure the Fund's performance and does not constrain the Fund's portfolio construction.</p> <p>The Fund is actively managed.</p> <p>The fund manager has complete freedom in choosing which investments to buy, hold and sell in the Fund.</p> <p>For unhedged Share Classes, the benchmark is shown in the Share Class currency.</p>

M&G Global Government Bond Fund	
Existing fund information (as listed in the Prospectus until 5 March 2023)	Updated fund information (to be listed in the Prospectus from 6 March 2023)
<p>Investment Objective</p> <p>The Fund aims to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than the average return of the IA Global Government Bond sector over any five-year period.</p>	<p>Investment Objective</p> <p>The Fund aims to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than the average return of the Bloomberg Global Treasury Index Unhedged USD over any five-year period.</p>
<p>Benchmark</p> <p>IA Global Government Bond sector</p> <p>The benchmark is a target against which the Fund seeks to outperform. The sector has been chosen as the Fund's benchmark as the Fund is a constituent of the sector. The benchmark is used solely to measure the Fund's performance and does not constrain the Fund's portfolio construction.</p> <p>The Fund is actively managed.</p> <p>The fund manager has complete freedom in choosing which investments to buy, hold and sell in the Fund.</p> <p>For unhedged and hedged share classes, the benchmark is shown in the share class currency.</p>	<p>Benchmark</p> <p>Bloomberg Global Treasury Index Unhedged USD</p> <p>The benchmark is a target against which the Fund seeks to outperform. The index has been chosen as the Fund's benchmark as it best reflects the scope of the Fund's investment policy. The benchmark is used solely to measure the Fund's performance and does not constrain the Fund's portfolio construction.</p> <p>The Fund is actively managed.</p> <p>The fund manager has complete freedom in choosing which investments to buy, hold and sell in the Fund.</p> <p>For unhedged and hedged share classes, the benchmark is shown in the share class currency.</p>

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M&G Strategic Corporate Bond Fund

Existing fund information (as listed in the Prospectus until 5 March 2023)	Updated fund information (to be listed in the Prospectus from 6 March 2023)
<p>Investment Objective</p> <p>The Fund aims to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than the average return of the IA Sterling Corporate Bond sector, over any five-year period.</p>	<p>Investment Objective</p> <p>The Fund aims to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than the average return of the iBoxx Sterling Corporates GBP Index, over any five-year period.</p>
<p>Benchmark</p> <p>IA Sterling Corporate Bond sector</p> <p>The benchmark is a target which the Fund seeks to outperform. The sector has been chosen as the Fund's benchmark as the Fund is a constituent of the sector. The benchmark is used solely to measure the Fund's performance and does not constrain the Fund's portfolio construction.</p> <p>The Fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the Fund.</p> <p>The benchmark is shown in the share class currency.</p>	<p>Benchmark</p> <p>iBoxx Sterling Corporates GBP Index</p> <p>The benchmark is a target which the Fund seeks to outperform. The index has been chosen as the Fund's benchmark as it best reflects the scope of the Fund's investment policy. The benchmark is used solely to measure the Fund's performance and does not constrain the Fund's portfolio construction.</p> <p>The Fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the Fund.</p> <p>The benchmark is shown in the share class currency.</p>