

Our ref: 8884

Fund objective and investment policy change

I am writing to you because you are invested in the M&G Optimal Income fund, provided by M&G Securities Limited.

M&G will change the objective and investment policy of the fund from **07 May 2026**.

The old and new objective and investment policy are overleaf for you to compare.

You may want to speak to your financial adviser about the impact of the change. Please speak to them before making any investment decisions, or if you have any questions about the change.

If you don't have a financial adviser, we recommend that you consider the benefits of receiving professional financial advice, which can be especially important when you need to make investment decisions. If you would like to search for an adviser in your area you can start by visiting quilter.com/financial-advice/find-an-adviser.

How the change will affect your account

- **The value of your holding** – The changes will not affect the value of your fund holding.
- **Risk profile** – The fund's risk profile will not change.
- The Ongoing Charges Figure (OCF) / Total Expense Ratio (TER) will not change.

The OCF/TER represents the ongoing charges for the fund, expressed as a percentage. It is the sum of the Annual Management Charge (AMC) and all other running costs of the fund. OCF is increasingly replacing TER.

Why the change is happening

M&G will amend the fund's investment policy to remove its ability to invest up to 20% of the fund in equities in order to clarify the fund's focus on debt securities (also known as fixed income or bonds). As a result, M&G will also increase the minimum amount the fund must invest in debt securities from 50% to 70%.

In addition, the fund's target benchmark will change to Bloomberg Global Aggregate Index GBP-hedged.

The fund was originally launched in 2006 with the aim of providing a combination of capital growth and income based on exposure to optimal income streams in investment markets, with a minimum of 50% of its portfolio invested in debt securities and up to 20% of its portfolio in equities.

Since then, the fund's investment universe has evolved considerably and the significance of equities as a source of returns for the fund has decreased, with equity exposure declining steadily over time and representing less than 1% of the fund's portfolio over the past three years.

With this in mind, M&G believe that the change will clarify the fund's focus on fixed income and make its strategy easier to understand for investors.

The next steps

You don't need to take any action unless you would like to choose a new asset from our extensive range. Please speak to your financial adviser before making any investment decisions or if you have any questions about this change.

If you have any questions about this letter, please speak to your financial adviser who will be able to help you. Alternatively, you can call or email us using the details shown and we will be happy to help. Our Customer Service Centre is open 8:30am – 5:30pm, Monday to Friday.

Yours sincerely,



Callum Earl

Head of Client Services

Fund objectives and investment policy

Current objective and investment policy	New objective and investment policy
<p>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 composite index, over any five-year period. The composite index is made up of one third Bloomberg Global Treasury Index GBP Hedged, one third Bloomberg Global Aggregate Corporate Index GBP Hedged and one third Bloomberg Global High Yield Index GBP Hedged.</p> <p>At least 50% of the fund is invested, directly or indirectly through derivatives, in debt securities, including investment grade bonds, below investment grade unrated securities and ABS. These securities can be issued or guaranteed by governments and their agencies, public authorities, quasi-sovereigns, supranational bodies and companies from anywhere in the world, including Emerging Markets. These securities can be denominated in any currency.</p> <p>Other investments may include:</p> <ul style="list-style-type: none">• up to 20% of the Fund in equities; and• other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G). <p>There are no credit quality restrictions applicable to the Fund's investments.</p> <p>At least 80% of the fund is in Sterling or hedged back to Sterling.</p> <p>Derivatives may be used for investment purposes, Efficient Portfolio Management and hedging.</p>	<p>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 Aggregate Index GBP-hedged, over any five-year period.</p> <p>At least 70% of the fund is invested, directly or indirectly through derivatives, in debt securities, including investment grade bonds, below investment grade unrated securities and ABS. These securities can be issued or guaranteed by governments and their agencies, public authorities, quasi-sovereigns, supranational bodies and companies from anywhere in the world, including Emerging Markets. These securities can be denominated in any currency.</p> <p>Other investments may include other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).</p> <p>There are no credit quality restrictions applicable to the fund's investments.</p> <p>At least 80% of the Fund is in Sterling or hedged back to Sterling.</p> <p>Derivatives may be used for investment purposes, Efficient Portfolio Management and hedging.</p>