

Our ref: Sample

(Date)

# Sample copy

Dear (Salutation)

## Fund name and investment policy change

Account number: XXXXXX

Your financial adviser: XXXXXX

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

M&G will change the name and investment policy of the fund from **10 July 2025**.

You'll see the new fund name on our valuations and statements after this date.

| Old fund name      | New fund name         |
|--------------------|-----------------------|
| M&G Episode Income | M&G Income and Growth |

The old and new investment policies 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](https://quilter.com/financial-advice/find-an-adviser).

### How this 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 funds are changing

The fund uses asset allocation as the main driver of investment returns, which means it allocates capital between different asset classes in response to changes in economic conditions and the valuation of assets.

The current investment policy emphasises its 'tactical' asset allocation approach, which seeks to identify periods of time when, in the fund managers opinion, assets have not been fairly valued, usually due to investors emotional response to market events. These 'episodes' which the fund's current name is derived from, create investment opportunities where the fund manager expects to return to what they would consider a fair value in the short or medium term.

Although this remains an important part of the fund's strategy, the fund increasingly seeks to derive returns through longer-term strategic asset allocation. M&G are therefore amending the investment policy to reduce the emphasis on the tactical asset allocation approach.

The new fund name will better reflect the fund's dual aim of delivering a growing level of income over any three-year period and capital growth of 2-4% per year.

## 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

| Current fund<br>M&G Episode Income  | New fund<br>M&G Income and Growth   |
|---|---|
| <p>The fund manager adopts a flexible approach to the allocation of capital between asset classes in response to changes in economic conditions and the valuation of assets. Central to this approach is the identification of episodes, which are periods of time during which, in the fund manager's view, asset prices become over- or under-stated, relative to objective valuation measures, due to the emotional reaction of investors to events.</p> <p>These episodes can exist over both the short and medium term. The fund invests in transferable securities, fixed income assets (including, but not limited to, corporate bonds and government and public securities), warrants, cash, and near cash. Exposure to these assets, and to property, may be gained via collective investment schemes and derivatives (including equity index futures, currency forwards, interest rate swaps, and other liquid derivatives). The manager may seek to minimise currency risk through the combination of diversification and hedging.</p> | <p>The fund invests globally across a range of asset classes, including equities and equity-related securities, fixed income securities, cash and near cash. Exposure to these assets is typically gained directly, but may also be gained indirectly, via funds (including funds managed by M&amp;G) or derivatives. The fund may also invest indirectly in other asset classes such as property.</p> <p>The fund will typically invest 20%-50% of its assets in equities, 40%-80% in bonds and up to 20% in other assets, which can include convertibles.</p> <p>The manager may seek to minimise currency risk through the combination of diversification and hedging.</p> |