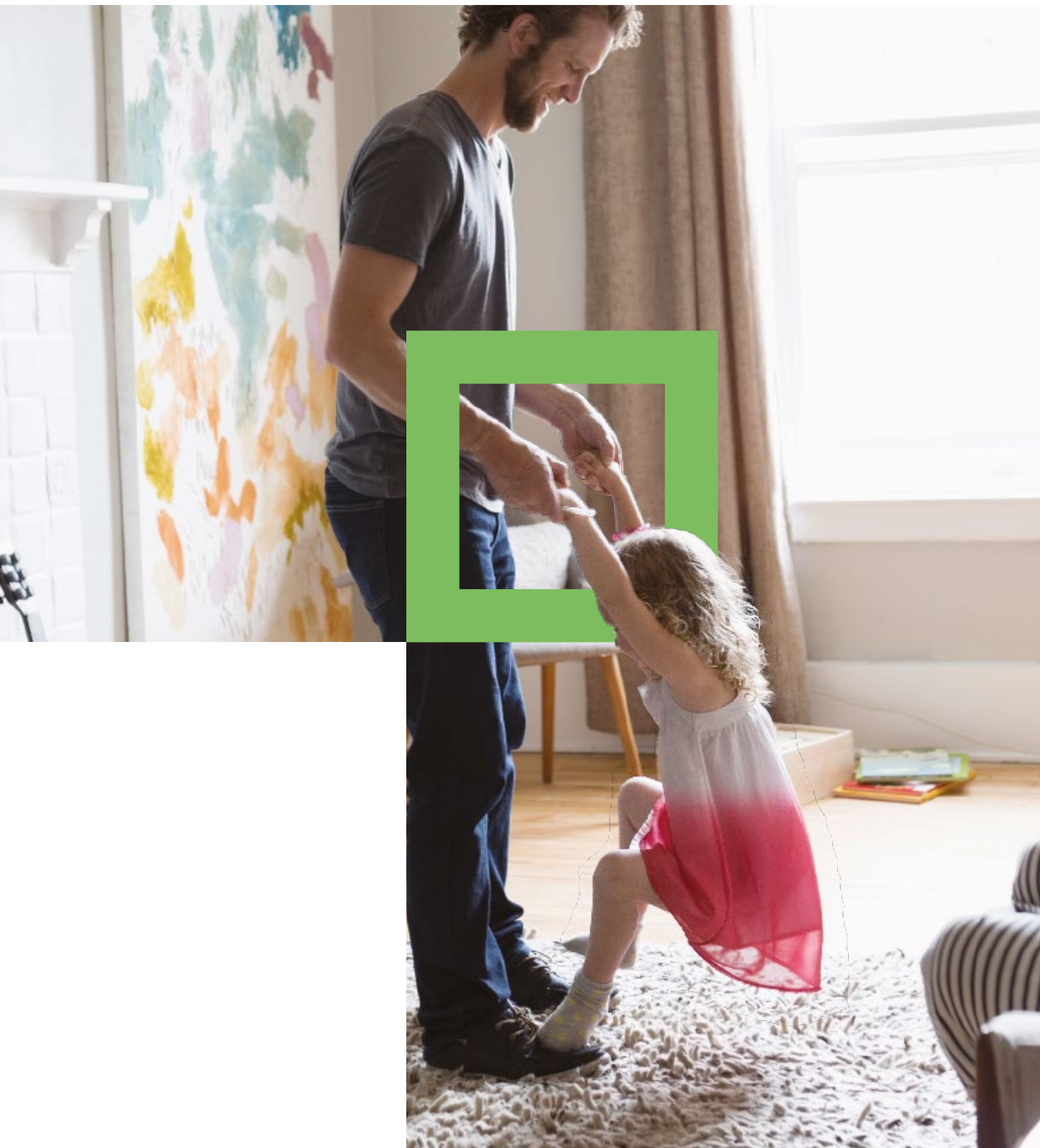


Investing with M&G



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Introduction

Everyone has their own long-term financial goals. In the past you could hope to generate an adequate income by simply putting your money into a savings account. However, nowadays we need our money to work as hard as possible.

At M&G, we believe that ISAs are one of the most valuable tools available to investors focused on saving for the long term (for example 10 years or more). With no personal liability to tax on interest payments, **dividend** payments, or capital gains to pay, and no need to declare ISAs on a tax return, the potential benefits of ISAs are certainly impressive. But when you look at their full implications, we think they're even better.

Please refer to the glossary found on **page 15** for an explanation of the words highlighted in bold throughout this brochure.



Important information

The value of your investment can go down as well as up so you might not get back the amount you put in. We are unable to give financial advice. If you are unsure about the suitability of your investment, speak to your financial adviser.

ISA and Junior ISA tax rules may change in the future and ISA and Junior ISA tax advantages depend on your individual circumstances. The views expressed in this document should not be taken as a recommendation, advice or forecast.

What's an ISA?

An ISA is a tax-efficient investment wrapper in which you can hold a range of investments, including **bonds**, equities, multi-**asset** funds and even cash, giving you control over where your money's invested. Some like to think of it as a shopping trolley, into which you place a selection of different **asset classes** which then become tax-efficient. However, it's important to remember that an ISA is just a way of sheltering your money from tax. It's not an investment in its own right.

ISA limits

M&G offer an actively managed stocks and shares ISA into which you can invest up to **£20,000** in the current tax year (6 April – 5 April).

You can invest your entire allowance in either a cash ISA, a stocks and shares ISA, an Innovative Finance ISA, a Lifetime ISA, or choose to split your allowance between these to best suit your personal investment objectives. Stocks and shares ISAs, including previous tax year contributions, can also be transferred into cash and vice versa. [Please note that The M&G ISA is a stocks and shares ISA only.](#) Due to our focus on long-term investing (investing for 10 years or more), The M&G ISA is not a Flexible ISA, an Innovative Finance ISA or a Lifetime ISA.

ISAs are becoming a serious part of financial planning as they offer a unique range of benefits:

- There's no income tax on interest payments (which are made by bond funds).
- There's no personal liability to tax on dividends (which are paid by equity funds).
- They don't lock your money away like a pension scheme does, so you can still access it whenever you need to.
- Income from an ISA doesn't affect your personal allowance or age-related allowance.
- There's no capital gains tax on any growth you may achieve, so you could use withdrawals to boost your income when necessary. Please note, any losses made in the ISA cannot be used to offset gains made elsewhere.

Please remember that any money you take from your ISA will reduce the value of your investment.

[There are also a number of additional and perhaps lesser known benefits of investing within an ISA which we explain in greater detail in this brochure.](#)

For further information visit mandg.co.uk/investor or call us on **0800 389 8600**

How do Stocks & Shares ISAs and Cash ISAs compare?

	Stocks and Shares ISAs	Cash ISAs
Designed for	Longer-term investments for five years or more, letting you share in the potential growth of the stockmarkets	Short-term savings for less than five years, with no real risk to your money. But the real-life 'spending power' of your investment may gradually fall if the interest rate you're getting is lower than the UK's annual rate of inflation
Maximum investment	£20,000 per tax year – you can split your overall annual ISA allowance between Cash, Stocks and Shares, Innovative Finance and/or Lifetime ISAs as you wish	£20,000 per tax year – you can split your overall annual ISA allowance between Cash, Stocks and Shares, Innovative Finance and/or Lifetime ISAs as you wish
Investment options	You can choose from a wide range of investments including funds, trusts, bonds and individual shares	With a Cash ISA there's no choice of investments – you'll simply get interest on your savings at a fixed or variable rate
Risks and returns	Depending on the performance of your investments, the value of your ISA can fall as well as rise	A Cash ISA offers very little risk to your money, with interest added every year, or sometimes more frequently
Taking your money out	You can normally withdraw cash from your account within eight to ten days	Variable interest accounts normally offer instant access. But with fixed term accounts, you could lose interest if you withdraw cash early

For further information visit mandg.co.uk/investor or call us on 0800 389 8600

The key benefits of ISA investing

1. Pay no income tax

When you invest through an ISA, your money's protected from the taxman, so you don't have to pay personal income tax on any interest or dividends you receive from your investments.

2. Protect your profits from Capital Gains Tax (CGT)

When your investments are held in ISAs, you don't have to pay any CGT on their growth. Of course, this may seem like a minimal benefit if your profits are within the annual exemption threshold for CGT (for 2022/2023 this was £12,300, for 2023/2024 this was reduced to £6,000 and from 2024/2025 it has been further reduced to £3,000), but it's worth remembering that stocks and shares investments are for the long term (10 years or more).

3. Save time on your tax return

You don't have to declare any investments held in ISAs on your tax return. This may not seem like much, but if you have to file an annual tax return, you'll know that any way of simplifying your financial administration can be very helpful.

4. Freedom to transfer

If you feel like your existing ISA provider is no longer appropriate for your needs or you are looking to consolidate your investments under one roof, with an ISA you are free to transfer your investment between providers to suit your individual needs. For more information about transferring ISAs held elsewhere to M&G visit us online at mandg.co.uk/transfer

Please note, your current provider may apply a charge when you transfer your investment. Whilst your investment is being transferred it will be out of the market for a short period of time and will not lose or gain in value.

5. Potential benefits for those saving for or currently in retirement

ISAs can give you control over your retirement income, as you can take as much money out as you like, whenever you want. Savings in an ISA and withdrawals from an ISA are free from personal taxation.

Important information

The value of your investment can go down as well as up so you might not get back the amount you put in. ISA tax rules may change in the future and ISA tax advantages depend on your individual circumstances.

For further information visit mandg.co.uk/investor or call us on 0800 389 8600

Reasons to invest in The M&G ISA

A great range to choose from

Within The M&G ISA you can hold a mix of equities, bonds, and even multi-asset funds to suit your individual needs. M&G's experience in the major asset classes and industry sectors, across both **developed** and **emerging economies**, can help you find the right blend of investments to achieve your personal goals.

Each one of our actively managed funds has been developed with investors' long-term needs in mind. With more than 40 funds to choose from for this year's ISA, we can help our customers address all their investment requirements in one place.

Whether you are looking to **diversify** your existing portfolio, aiming for long-term growth, or wanting to achieve a regular income, M&G has something to offer.

Benefit from nearly 100 years of active investment experience

Since we launched the UK's first unit trust back in 1931, M&G has paved the way for the fund management industry as we know it today. Not only are we one of the country's most experienced and dedicated investment management companies, we also offer a wide range of global fund management expertise.

Expert fund managers focused on long-term investment success

Our fund managers don't follow the latest investment trends. Instead they each have their own individual approach, enabling them to act on their convictions without being constrained by a rigid house style.

They focus on companies themselves rather than on share prices. In fact, understanding the companies they invest in is a core principle across all asset classes.

What's a Junior ISA?



Junior ISAs offer similar tax advantages to 'adult' ISAs, but with a lock-in, making the child's investment inaccessible until they turn 18. Like an ISA, Junior ISAs can invest in bonds, equities, cash, and even multi-asset funds, giving you flexibility over the future of your child's long-term savings.

They're available to UK resident children who do not have a Child Trust Fund (CTF) account. However, parents and guardians have the choice to transfer a child's existing CTF into a Junior ISA.

Should you already have a CTF account or want to invest more than the Junior ISA limit, there are alternative routes to access the long-term growth potential through The M&G OEIC or The M&G Savings Plan.

A Junior ISA must be opened by someone with parental responsibility or legal guardianship for the child. This person will be the 'Registered Contact' for the account.

Junior ISA limits

With The M&G Junior ISA you are free to invest up to £9,000 in the current tax year. You can switch from a cash Junior ISA to a stocks and shares Junior ISA and back again. Please note that M&G only offer a stocks and shares Junior ISA.

Existing Child Trust Funds (CTFs) can be transferred into Junior ISA accounts. Visit our website at mandg.co.uk/junior to find out more about transferring your child's CTF to M&G.

Important information

The value of your investment can go down as well as up so you might not get back the amount you put in. Junior ISA tax rules may change in the future and Junior ISA tax advantages depend on your individual circumstances.

For further information visit mandg.co.uk/investor or call us on 0800 389 8600

The key benefits of Junior ISAs

- Up to £9,000 can be invested in the current tax year (6 April – 5 April) on a child's behalf.
- Investments can be made either by regular payments or with a lump sum, at any time.
- Anyone can gift or contribute into a Junior ISA as a third party contributor.
- The account has to be opened by a person with parental responsibility or legal guardianship – this person will be the 'Registered Contact' and have responsibility for the investment.
- When the child turns 16, they can choose to take control of their Junior ISA investment – which could provide a good opportunity to teach them about the importance of managing their money.
- The money invested can only be withdrawn by the child once they reach 18 years of age.
- Any returns the investment generates will be free from personal liability to tax on interest payments, dividend payments and capital gains.
- Junior ISAs have the flexibility to switch from cash to stocks and shares and back again, giving you greater control over your child's investment. The M&G Junior ISA is a stocks and shares Junior ISA only.
- CTFs can also be transferred into Junior ISAs.
- Being a Registered Contact for, or third party contributor to, a Junior ISA will not affect your own annual ISA allowance and doesn't need to be declared on your personal tax return.
- As the investment is not accessible until the child turns 18, Junior ISAs can be an ideal investment solution to help provide for a child's future.

Reasons to invest in The M&G Junior ISA

1. Invest with an initial lump sum of £500 and top up with additional lump sums (minimum £100) at any time.
2. Make regular contributions into The M&G Junior ISA from as little as £10 per month via Direct Debit.
3. As with The M&G ISA, you can choose from our range of more than 40 actively managed funds including equities, bonds, or multi-asset to help build your child's savings over the long term.
4. Pay no entry or exit charges (however, an ongoing charge will still apply).
5. As your child grows and their investment needs change you can switch between M&G funds to help keep their investment goals on track.

How do Junior ISAs and ISAs compare?

Junior ISA

Annual investment limit: £9,000 in the current tax year.

Once invested in either a stocks and shares Junior ISA or cash Junior ISA with an investment provider, each annual allowance must be invested with this same provider until the Junior ISA is transferred elsewhere. You cannot invest each annual allowance with different providers unless a formal transfer of the investment has taken place.

You have the flexibility to switch from cash to stocks and shares and back again, giving you greater flexibility and more control over the investment.

Anyone can contribute into the Junior ISA as long as the total of all contributions does not exceed the annual limit. However, once made, the contributions cannot be returned, and will belong to the child, who will be the account holder.

At the age of 16, a child can open or take control of their own Junior ISA.

Contributions are not accessible until the child turns 18 years of age, at which point the account becomes an ISA.

ISA

Annual investment limit: £20,000 in the current tax year.

Each year you have the option of investing your annual ISA allowance with different providers. You also have the option of transferring previous years' ISAs between providers at any point, without affecting your allowance for the current tax year. However, some providers may charge for this service.

You can transfer money held in a cash ISA into a stocks and shares ISA and vice versa, without affecting your annual allowance.

Subscriptions must be made with the investor's own money.

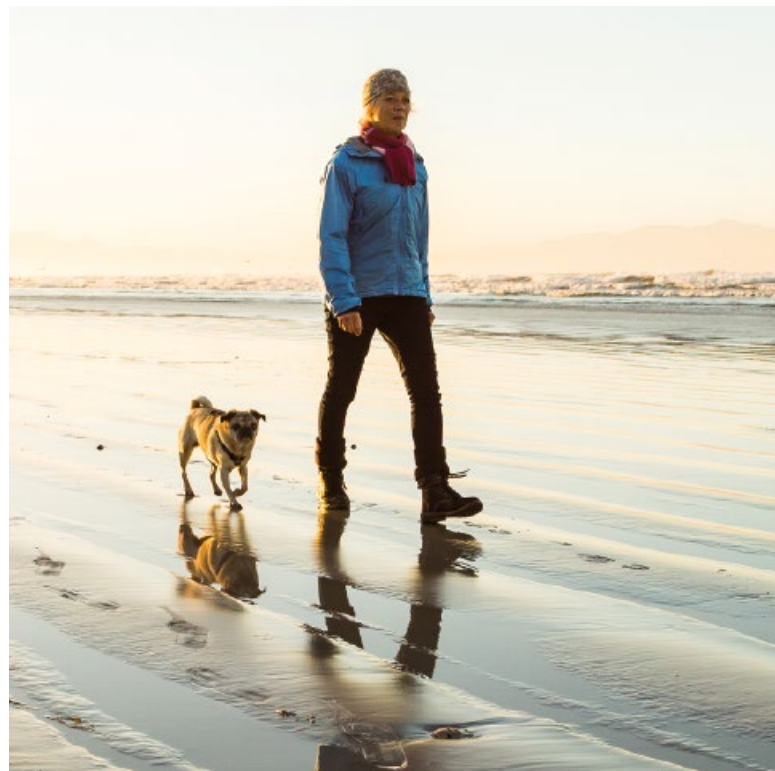
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For further information on The M&G Junior ISA visit mandg.co.uk/junior or contact our Investment Helpline on **0800 389 8600**.

Important information

Remember that the tax rules for both Junior ISAs and ISAs may change in the future and their tax advantages may depend on your individual circumstances. Please note your current provider may apply a charge when you transfer your Child Trust Fund and/or Junior ISA. While your investment is being transferred it will be out of the market for a short period of time and will not lose or gain in value. The value of your investment can go down as well as up so you might not get back the amount you put in. We are unable to give financial advice. If you are unsure about the suitability of your investment, speak to your financial adviser.



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Choosing the right funds

Choosing the right mix of asset classes

Generally speaking, if you're willing to take more risk with the goal of achieving a higher level of return from your investment, your portfolio may hold more company shares (also referred to as equities).

As you grow older, your appetite for risk will probably decrease. The general rule of thumb used to be that the percentage of bonds you hold is likely to increase. However, a reasonable asset mix for you will also depend on other factors.

No matter what your long-term investment objectives may be, M&G offers a broad range of funds to help you achieve them.

Equity funds

Over the long term (10 years or more), investing in equities has the potential to generate higher returns than a traditional bank or building society savings account. Equities are shares of ownership of a company, in which you can invest directly or through a managed fund (such as those offered by M&G). If you're looking to maximise your long-term growth potential, choosing an equity growth fund could help you do just that.

Bond funds

Bond funds can offer a more regular income than equities. Historically, the returns from bond funds have been less **volatile** than equities and could bring an important element of **diversification** to your portfolio.

Multi-asset funds

Multi-asset funds come in a variety of shapes and styles depending on their individual aims and objectives.

These types of funds put the asset allocation decisions in the hands of the experts. They can choose to invest across a range of assets, offering investors a diversified blend of equities, bonds, cash and even currencies in one single portfolio. The balance between these asset classes can be adjusted as and when the fund manager feels it appropriate, depending on factors like the wider economic situation, inflation and the fund's unique investment aims.

Sustainable and impact funds

We have a range of both **sustainable** and **impact** funds to choose from, both aiming for long-term financial returns while working to address some of the world's most pressing societal and environmental challenges.

The full range of funds available within both The M&G ISA and The M&G Junior ISA can be found on our website at [mandg.co.uk/funds](https://www.mandg.co.uk/funds)

Choosing the right funds (continued)

Sustainable Investment Labels and Consumer-Facing Disclosure (CFD)

Funds with a specific environmental or social goal will have a 'Sustainable Investment' label. The label aims to make it easier for investors to understand funds by introducing greater transparency, accountability and comparability. Funds that don't have a label, but are making sustainability claims, will be classed as 'Sustainability Characteristics', and will explain how they're invested and why they don't have a label.

Funds with a Sustainable Label and those with no label but Sustainability Characteristics will have a CFD providing a summary of the fund's sustainable investing approach.

Annual Value Assessment Report

The M&G Annual Value Assessment Report evaluates the value provided to investors in each of our UK-based funds according to a broad set of criteria, in line with regulatory requirements.

The report can be found online at mandg.co.uk/valueassessment or alternatively please contact our **Customer Relations** team on **0800 390 390**.

How our charges work

Before you make any investment it's important to know how much you will be charged. Our charges apply to all our fund types (multi-asset, bonds and equities), and may change in the future.

For each fund, you'll pay an **ongoing charge** (which consists of an Annual Charge and extraordinary expenses) plus a share of **portfolio transaction costs** (the costs incurred when funds buy and sell investments). There are no entry or exit charges on your investment.

For information on the charges applicable to each fund, please refer to the relevant KIID. You can also refer to the Costs and charges illustration which contains information on the costs applicable to your chosen share classes. Both of these documents are available in our Fund Centre – mandg.co.uk/funds

Important information

The value of your investment can go down as well as up so you might not get back the amount you put in. We are unable to give financial advice. If you are unsure about the suitability of your investment, speak to your financial adviser.

For further information visit mandg.co.uk/investor or call us on **0800 389 8600**

Investing outside The M&G ISA

At M&G we understand that people have different needs from their investments, which is why there are a number of ways to invest with M&G. If you have already used your ISA allowance you may consider investing within The M&G OEIC or The M&G Savings Plan.

The M&G OEIC

Open-Ended Investment Companies (OEICs) are a great way to give small investors the power of the big players. They're also a good way for you to offset some of the risks involved when investing in the stockmarket.

By investing in The M&G OEIC, you benefit from your money being 'pooled' with other holders to create a sizeable fund. Due to our size, we can buy and sell shares in your investment at a very low cost. We invest on your behalf in a broad spread of investments, which gives you access to a wide range of opportunities and helps you avoid the risks associated with concentrating your money in any one company. An OEIC is not liable to capital gains tax (CGT) arising from the sale of underlying assets and generally not subject to tax on income it receives. The minimum initial investment is £500, with additional lump sums from £100 – there's no upper limit.

The M&G Savings Plan

We know some people would prefer to make regular, small investments instead of putting a lump sum away. Maybe you feel this way too.

For many of us, regular savings are the most reliable way to generate capital for ourselves and our families. If you invest regular amounts, you can build up substantial capital sums over the medium to long term, so five to 10 years or more, and you can help to smooth out the ups and downs of the market. If the share price falls, your contribution will purchase a larger number of shares at a lower price. And if the price rises, this larger holding of shares will make your investments more valuable – although of course, your contributions will buy you less. There is no overall investment limit in The M&G Savings Plan, and you can invest from as little as £10 a month.

For further information visit mandg.co.uk/investor or call us on 0800 389 8600

Investing outside The M&G Junior ISA

If you've already used your child's Junior ISA allowance for the current tax year, have more than the allowance to invest or your child already has a CTF account, there are several other routes to access the long-term growth potential of the M&G fund range. For example, you can invest directly into a selection of M&G OEIC funds or open an M&G Savings Plan to contribute to a child's investment on a regular basis. However, as returns from these vehicles are not tax free, investors need to fully understand their obligations to HM Revenue & Customs (HMRC).

For further information on Investing for children outside The M&G Junior ISA visit [mandg.co.uk/investor](https://www.mandg.co.uk/investor) or contact our **Investment Helpline** on **0800 389 8600**.



Glossary

Asset Anything having commercial or exchange value that is owned by a business, institution or individual.

Asset class Category of assets, such as cash, company shares, bonds and their sub-categories, as well as tangible assets such as real estate.

Bond A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial investment is repaid.

Developed economies or markets Well-established economies with a high degree of industrialisation, standard of living and security.

Diversify/Diversified/Diversification The practice of investing in a variety of assets. This is a risk management technique where, in a well-diversified portfolio, any loss from an individual holding should be offset by gains in other holdings, thereby lessening the impact on the overall portfolio.

Dividends Dividends represent a share in the profits of a company and are paid out to a company's shareholders at set times of the year.

Emerging economies or markets Economies in the process of rapid growth and increasing industrialisation. Investments in emerging markets are generally considered to be riskier than those in developed markets.

Equity/Equities Shares of ownership in a company.

Flexible ISA A flexible ISA allows you to withdraw money from your ISA and pay it back in within the same tax year without losing your ISA allowance.

Impact investing Impact investing is investing with the intention of contributing to positive social and/or environmental outcomes by generating measurable, positive impacts alongside a financial return.

Inflation The rate of increase in the cost of living. Inflation is usually quoted as an annual percentage, comparing the average price this month with the same month a year earlier. There are two inflation indices in the UK – the Retail Prices Index (RPI) and the Consumer Prices Index (CPI).

Innovative Finance ISA An Innovative Finance ISA is an ISA that contains peer-to-peer loans instead of cash or stocks and shares.

Lifetime ISA A Lifetime ISA (LISA) is a type of ISA that can help people save for retirement or buy their first home. You must be between 18 and 39 to open a LISA. You can contribute up to £4,000 per tax year until you turn 50. The government will add a 25% bonus to your contributions, up to a maximum of £1,000 per year.

Ongoing Charge Figure The ongoing charge figure represents the operating costs investors can reasonably expect to pay under normal circumstances.

Portfolio transaction cost It includes trading costs such as brokerage, clearing, exchange fees and bid-offer spread, as well as taxes such as stamp duty.

Sustainable investing Sustainable investing involves making investment decisions incorporating Environmental, Social, and Governance (ESG) factors whilst trying to have a positive effect, or reduce negative effects, on the environment and society through active ownership and/or portfolio construction.

Volatile When the value of a particular share, market or sector swings up and down fairly frequently and/or significantly, it is considered volatile.

Next steps

For details on how to invest and start making the most of all the opportunities investing in an ISA and Junior ISA with M&G could bring, speak to your financial adviser or visit us online at mandg.co.uk/isa or mandg.co.uk/junior

Alternatively, call us on **0800 389 8600**. We're open from 08:00 to 18:00 Monday to Friday and from 09:00 to 13:00 on Saturday. For security purposes and to improve the quality of our service, we may record and monitor telephone calls.

If you don't have a financial adviser, please visit mandg.co.uk/getfinancialadvice to find a financial adviser local to you.

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ISA and Junior ISA tax rules may change in the future and ISA and Junior ISA tax advantages depend on your individual circumstances. The views expressed in this document should not be taken as a recommendation, advice or forecast.

Before investing, you should read an up-to-date version of your chosen fund's 'Key Documents': Key Investor Information Document (KIID), Prospectus and, for funds with Sustainability Characteristics or with a Sustainability Label, the Consumer-Facing Disclosure (CFD). You should also read the Important Information for Investors document, which includes M&G's Terms and Conditions. These provide you with information about your investment, including details about the fund's different share classes: be sure to choose the appropriate one for you. They also explain fund charges, including the ongoing charge, a deduction from your fund which M&G makes to cover the costs of investment management and administration. Additional fund information can be obtained from the Costs and charges illustration, and Annual or Interim Fund Reports.

The relevant Key Documents can be downloaded from mandg.co.uk/literature or requested by calling our **Customer Relations** team on **0800 390 390**. If you need audio, braille or large print, please call our team and we'll send these to you.