

22 April 2022

Dear Investor

Converting your Sterling Class X Shares into Sterling Class A Shares

We are writing to you as a holder in the following fund(s) to inform you that we intend to convert your investments in Sterling Class X Shares to the equivalent Sterling Class A Shares on Friday 24 June 2022 (the "Effective Date"). This does not impact any other share classes or other funds you may hold.

[M&G Example Fund Sterling Class X Income Shares]

Why are we doing this?

We are simplifying the share classes we offer for investment in our funds. The charging structure on the Sterling Class X and Sterling Class A Shares was aligned a few years ago and it makes sense to combine these now into a single share class.

To view the Key Investor Information Documents (KIIDs) for your fund(s) please visit www.mandg.co.uk/funds

This letter provides you with full details of the conversion.

What action do I need to take?

You do not need to take any action – this conversion will take place at the valuation point on Friday 24 June 2022 and there will not be any cost to you.

The value of the above investment(s) will remain the same after the conversion is complete. Please note that the number of shares you hold will change as a result of the difference in share price between the two share classes. It's important to note that your money will not be out of the market at any point, so your money remains exposed to market rises and falls.

M&G Securities Limited reserves the right, in its absolute discretion, to not proceed with the conversion if it is in the best interest of our customers.

continued overleaf

Key Dates

Deadline for receipt of dealing instructions in Sterling Class X Shares	12:00 on Thursday 23 June 2022
Valuations used for the purpose of the conversion	12:00 on Friday 24 June 2022
Effective Date of the conversion	Friday 24 June 2022 or any other date notified to you
First day of dealing in your new Sterling Class A Shares	Monday 27 June 2022
Dispatch confirmation of number of Sterling Class A Shares	No later than Friday 8 July 2022

Making changes to your investment

If for any reason you do not want your holdings to be converted to the equivalent Sterling Class A Shares, you may sell your investment in the Fund(s) free of charge, at any point before the changes have taken place subject to our Terms and Conditions.

You may also switch to another fund or share class within the M&G OEIC range free of charge.

Any requests to deal in Sterling Class X Shares received by 12:00 on Thursday 23 June 2022 will be dealt with as normal. Any dealing instructions received after that time will unfortunately be rejected and will have to be resubmitted to deal in shares in the Sterling Class A Shares on Monday 27 June 2022.

Costs of the changes

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

Taxation

UK resident investors

Sterling Class A Shares issued to you as a result of the conversion will have the same purchase cost and purchase date for UK capital gains tax purposes as your existing Sterling Class X Shares.

It is not anticipated that UK stamp duty or equivalent overseas taxes should be payable in respect of the transfer of the property of the Sterling Class X Shares to Sterling Class A Shares as part of the conversion.

If you are in any doubt about your potential liability to tax, you should consult a tax adviser.

Non-UK resident investors

The tax consequences of the conversion will vary depending on the law and regulations of your country of residence, citizenship or domicile. If you are in any doubt about your potential liability to tax, you should consult a tax adviser.

After the Conversion

We will notify you of the number of Sterling Class A Shares issued to you within 14 days of the Effective Date. Instructions to deal in your Sterling Class A Shares can be received from Monday 27 June 2022.

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The number and value of shares you will receive in the relevant Sterling Class A will be calculated as of the Effective Date and in accordance with the following formula:

$$A = (B/C) \times D$$

- Where **A** is the number of shares you will receive in the relevant Sterling Class A.
- **B** is the published price of the relevant Sterling Class X shares on the Effective Date (eg 297.00).
- **C** is the published price of the relevant Sterling Class A shares on the Effective Date (eg 300.00).
- **D** is the number of Sterling Class X shares you hold on the Effective Date (eg 100).

For example:

$$A = (297.00 / 300.00) \times 100$$

$$A = 0.99 \times 100$$

$$A = 99 \text{ shares}$$

The procedures for buying and selling Sterling Class A Shares are the same as those for your existing Shares.

Income Shares

Any income instructions will be carried over to Sterling Class A Shares, unless you already hold Sterling Class A Shares, in which case those instructions will take precedence. If you do not want these instructions – income reinvested or paid out (by direct credit or cheque) – to be carried over, please let us know. You may, of course, change these instructions at any time.

If you have elected to reinvest your income, any reinvestment amounts outstanding at the point of conversion will be re-directed to purchase shares in the relevant Sterling Class A Shares.

Any income accrued from the end of the previous distribution period to the Effective Date will be carried across to your Sterling Class A Shares. Distribution yields and payment dates will remain aligned with your previous Sterling Class X Shares, and 'Group 1' and 'Group 2' share status will be unaffected by the conversion.

Direct Debit Instructions

If you are currently investing by Direct Debit in Sterling Class X Shares, your Direct Debit collection date will remain unchanged. If you are already investing by Direct Debit in both Sterling Class X and Sterling Class A Shares in the same fund(s), the amounts of such instructions will be combined to purchase Sterling Class A Shares on the Sterling Class A Shares collection date. Further purchases may be stopped at any time by giving notice to your bank and M&G.

M&G Client Reference

Your M&G client reference will remain the same. You will need to quote this when communicating with M&G.

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.

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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

A handwritten signature in black ink that reads "Laurence Mumford". The signature is written in a cursive, flowing style.

Laurence Mumford
Director
M&G Securities Limited