

6 June 2025

Dear Investor

**Important information about M&G Episode Income Fund (the “Fund”),
a sub-fund of M&G Investment Funds (11)**

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

I am writing to inform you of changes to the Fund’s Investment Policy and Investment Approach. As a result of the changes, which will become effective on Thursday 10 July 2025 (“the “Effective Date”), we will also change the Fund’s name to **M&G Income and Growth Fund**.

The new 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.

This objective will remain unchanged, and there will be no change to the types of assets the Fund can invest in. The Fund’s overall risk profile will not be altered and we do not expect the changes to result in any immediate changes to the Fund’s portfolio.

Background and reasons for the changes

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 Fund’s Investment Policy currently emphasises its ‘tactical’ asset allocation approach, which seeks to identify periods of time when, in the fund manager’s 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 assets 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. This involves using in-depth analysis of asset price behaviour, economic fundamentals and investor psychology to identify target allocations for different asset classes for medium to long term investment opportunities. We will therefore amend the Investment Policy and Investment Approach to reduce the emphasis on the tactical asset allocation approach.

As a result of the changes, the new name will no longer reference “Episode” and instead highlight the Fund’s dual objective of regular income and long-term capital growth.

continued overleaf

Additional clarificatory changes

In addition to the changes described above, we have taken this opportunity to rephrase the Fund's Investment Objective, and make some clarificatory changes to its Investment Policy and Investment Approach for consistency purposes. Notably, the Fund's investment process, ie how the fund manager selects assets to invest in, which is currently partly described in its Investment Policy, will be moved to the Investment Approach. The Investment Policy will therefore solely describe what assets the Fund can invest in and any investment limits that may apply to these assets.

A comparison of the current and updated Investment Objective, Investment Policy and Investment Approach can be found in the appendix of this letter.

Making changes to your investment

You may sell your investment in the Fund, 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

Legal and administrative costs

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

For more information

If you have any questions about the changes please contact our **Customer Relations** team by calling **0800 390 390** or **0044 1268 44 8031** if calling from overseas. Our team can take your call from (UK time) 08:00 to 18:00, Monday to Friday and 09:00 to 13:00 Saturday. For your security and to improve the quality of our service we may record and monitor telephone calls. Alternatively, you may want to consider registering for our online **My Account** service at **www.myaccount.mandg.com** where you can manage your account and contact us by secure message or our chat facility. For alternative ways to get in touch please visit **www.mandg.co.uk/info**

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. You can find information on how to access financial advice on our website **www.mandg.co.uk/getfinancialadvice**

Yours faithfully



Laurence Mumford
Director
M&G Securities Limited

Encl: Comparison of the current and updated name, Investment Objective, Investment Policy and Investment Approach for the Fund

**Appendix 1: Comparison of the current and updated
name, Investment Objective, Investment Policy and Investment Approach for the Fund**

| Existing fund information (as listed in the Prospectus until Wednesday 9 July 2025) | Updated fund information (to be listed in the Prospectus from Thursday 10 July 2025) |
|--|--|
| M&G Episode Income Fund | M&G Income and Growth Fund |
| <p>Investment Objective</p> <p>The Fund aims to provide:</p> <ul style="list-style-type: none"> • a growing level of income over any three-year period; and • capital growth of 2-4% per annum, net of the Ongoing Charge Figure, over any three-year period. <p>There is no guarantee that the Fund will achieve its objective over this, or any other, period. The income distributions and the value of your investment may rise and fall and investors may not recoup the original amount they invested.</p> | <p>Investment Objective</p> <p>The Fund has two aims:</p> <ul style="list-style-type: none"> • to provide a growing level of income over any three-year period; and • to provide capital growth of 2-4% per annum, net of the Ongoing Charge Figure, over any three-year period. <p>There is no guarantee that the Fund will achieve its objective over this, or any other, period. The income distributions and the value of your investment may rise and fall and investors may not recoup the original amount they invested.</p> |
| <p>Investment Policy</p> <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. 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. Over 35% of the Fund's assets may be invested in transferable securities or approved money-market instruments issued or guaranteed by a single state, local authority or public international body as listed hereafter:</p> <ul style="list-style-type: none"> • the Government of the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly and the National Assembly of Wales); • the Governments of Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden; | <p>Investment Policy</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&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> <p>Over 35% of the Fund's assets may be invested in transferable securities or approved money-market instruments issued or guaranteed by a single state, local authority or public international body as listed hereafter:</p> <ul style="list-style-type: none"> • the Government of the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly and the National Assembly of Wales); • the Governments of Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden; • the Government of Australia, Canada, Japan, New Zealand, Switzerland, USA; • Eurofima, European Economic Community, European Bank for Reconstruction and Development, European Investment Bank, International Bank for Reconstruction and Development, International Financial Corporation. |

| | |
|--|--|
| <ul style="list-style-type: none"> the Government of Australia, Canada, Japan, New Zealand, Switzerland, USA; Eurofima, European Economic Community, European Bank for Reconstruction and Development, European Investment Bank, International Bank for Reconstruction and Development, International Financial Corporation. <p>Derivatives may also be used for Efficient Portfolio Management purposes. More than 70% of the fund will be in sterling or hedged back to sterling.</p> | <p>Derivatives may also be used for Efficient Portfolio Management purposes. More than 70% of the fund will be in sterling or hedged back to sterling.</p> |
| <p>Investment Approach</p> <p>The fund manager seeks to achieve the Fund's objectives whilst managing risk by investing globally across multiple asset classes, sectors, currencies and countries. Where the fund manager believes opportunities are limited to a few areas, the portfolio may be very concentrated in certain assets or markets. The fund manager will typically take investment positions in individual shares or bonds, but may also take positions at an index or sector level via derivatives. The fund manager looks to generate a growing level of income by investing in assets that offer a regular income such as dividend-paying equities, corporate bonds and government bonds. 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>Investment Approach</p> <p>The Fund aims to generate a growing level of income by investing in a diversified range of income-generating assets, while recognising the importance of capital appreciation and preservation and growing the income stream over time. The Fund's investment approach utilises both strategic and tactical asset allocation with these asset allocation views expected to be the main driver of returns.</p> <p>The strategic asset allocation framework focuses on a comprehensive assessment of investment return prospects across a wide range of global assets. The three major components of analysis focus on asset price behaviour, economic fundamentals and investor psychology. By assessing and combining these elements, we seek to identify the most suitable investment opportunities over the medium to long term.</p> <p>The tactical asset allocation framework focuses on capturing shorter term opportunities created by market volatility or observable investor biases triggered by an emotional reaction to events.</p> <p>The fund manager seeks to achieve the Fund's objectives whilst managing risk by investing globally across multiple asset classes, sectors, currencies and countries. Where the fund manager believes opportunities are limited to a few areas, the portfolio may be very concentrated in certain assets or markets. The fund manager will typically take investment positions in individual shares or bonds, but may also take positions at an index or sector level via derivatives.</p> |