

# Changes to fund objectives



**Funds with objective changes within the last ten years can be found in the table below Listed A-Z**

Fund	Event	Date	Previous objective
Asian Fund	Objective change	1 March 2019	<p>The fund aims to grow capital over five years or more.</p> <p>Core investment: At least 80% of the fund is invested in the shares of companies based in Asia (excluding Japan) and Australasia.</p> <p>Other investments: The fund also invests in the shares of companies anywhere in the world (except Japan). Typically, these are companies that conduct the majority of their business in Asia. Generally, less than 10% is held as cash or assets that can be turned into cash quickly.</p> <p>Strategy in brief: The fund manager focuses on finding companies with the potential to improve their future profitability or the ability to sustain a high level of profitability over time. Constructing a portfolio of stocks with different profiles of profitability helps build a diversified portfolio with the potential to cope in different market conditions. The fund manager seeks companies whose future profitability is deemed to be undervalued by the market and looks to invest in companies whose corporate governance practices ensure the business is run in the interests of all shareholders.</p> <p>Performance measurement: The fund is actively managed. The MSCI AC Asia Pacific ex Japan Index is a point of reference against which the performance of the fund may be measured.</p>
Corporate Bond Fund	Objective change	25 May 2017	<p>The Fund aims to achieve a higher total return (the combination of income and growth of capital) from investment than would be obtainable in UK government fixed interest securities (ie gilts) of similar maturities.</p>
Corporate Bond Fund	Objective change	23 March 2020	<p>Objective</p> <p>The fund aims to provide a combination of capital growth and income.</p> <p>Investment policy and strategy</p> <p>Core investment: At least 70% of the fund is invested in sterling-denominated bonds issued by companies. The fund aims to hedge any non-sterling assets back to sterling.</p> <p>Other investments: The fund may invest in government bonds (usually of developed countries), high yield bonds and cash or assets that can be turned into cash quickly.</p> <p>Derivatives: The fund may invest via derivatives and use derivatives to reduce the risks and costs of managing the fund.</p> <p>Strategy in brief: The fund manager has the freedom to decide which investments to hold in the fund, based on his assessment of a combination of macroeconomic, asset, sector and stock-level factors.</p> <p>Spreading investments across issuers and industries is an essential element of the fund's strategy and the manager is assisted in his selection of individual bonds by an in-house team of analysts.</p> <p>Benchmark: IA Sterling Corporate Bond sector</p> <p>The benchmark is a comparator against which the fund's performance can be measured. The sector has been chosen as the fund's benchmark as the fund is a constituent of the sector. The benchmark does not constrain the fund's portfolio construction.</p> <p>The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund.</p> <p>For unhedged and hedged share classes, the benchmark is shown in the share class currency.</p> <p>You can find more information about the objective and investment policy of the fund in the Prospectus.</p>
Dividend Fund	Objective change	14 March 2011	<p>The Fund invests mainly in a range of UK equities with the aim of achieving a steadily increasing income stream. The target yield is 33% higher than that of the FTSE All-Share Index but this may vary in the shorter term. Subject to this, the aim will be to maximise total return (the combination of income and growth of capital).</p>
Dividend Fund	Objective change	29 November 2019	<p>The fund has three aims:</p> <ul style="list-style-type: none"> <li>- To grow income distributions by investing mainly in a range of UK company shares</li> <li>- To provide a dividend yield above that of the FTSE All-Share Index</li> <li>- To provide combined income and capital growth</li> </ul> <p>Core investment: At least 70% of the fund is invested in the shares of UK companies with the potential to grow their dividends over the long term.</p> <p>Other investments: The fund may also invest in the shares of non-UK companies. Generally, less than 10% is held as cash or assets that can be turned into cash quickly.</p>

Strategy in brief: The fund manager has the freedom to decide which investments to hold in the fund. The focus is on companies with the potential to grow their dividends over the long term. The fund invests in company shares from across a wide range of sectors and company sizes. The fund manager selects stocks with different sources of dividend growth to build a fund that has the potential to cope in a variety of market conditions. When attempting to grow distributions, the fund manager's main focus is on delivering an increase in sterling terms.

Benchmark: FTSE All-Share Index

The fund manager makes active investment decisions for the fund. The benchmark is a target which the fund seeks to outperform. The target benchmark is used solely to measure the fund's performance and income objective.

For unhedged share classes, the benchmark is shown in the share class currency.

The Fund aims to maximise total return (the combination of income and growth of capital).

The Fund primarily invests in debt instruments issued by emerging market nations and their agencies. The Fund's exposure to debt instruments may be gained through the use of derivatives. There are no restrictions on the currency in which debt instruments held in the portfolio may be issued, and accordingly the Fund may carry a greater than usual currency risk, which will not normally be hedged. The Fund may also invest in other assets including collective investment schemes, other transferable securities (including other debt instruments), cash and near cash, deposits, warrants, money market instruments and other derivative instruments.

#### OBJECTIVE AND INVESTMENT POLICY

The fund aims to provide a combination of capital growth and income.

Core investment: At least 70% of the fund is invested in bonds issued by the governments, government agencies and companies that are based or do most of their business, in emerging markets. These bonds can be denominated in any currency, including emerging market currencies. Other investments: The fund may invest in other funds and cash or assets that can be turned into cash quickly.

Derivatives: The fund may invest via derivatives and use derivatives to reduce the risks and costs of managing the fund.

Strategy in brief: The fund manager selects investments based on an assessment of global, regional, and country-specific macroeconomic factors, followed by in-depth analysis of individual bond issuers. The fund is diversified by investing in a range of bonds across different emerging markets.

Benchmark: A composite index comprising:

- 1/3 JPM EMBI Global Diversified Index
- 1/3 JPM CEMBI Broad Diversified Index
- 1/3 JPM GBI-EM Global Diversified Index

The benchmark is a comparator against which the fund's performance can be measured. The composite index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy. The benchmark does not constrain the fund's portfolio construction.

The fund is actively managed. The fund manager has freedom in choosing which assets to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents. For unhedged and hedged share classes, the benchmark is shown in the share class currency.

Emerging Markets Bond Fund

Policy change

19 April 2012

Emerging Markets Bond Fund

Objective and policy change

23 March 2020

Episode Allocation Fund

Objective change and name change

Note – Fund name change from M&G Episode Balanced Fund on 3 November 2014 (formerly M&G Cautious Multi Asset Fund). No change to the objective on this date.

22 August 2012

The Fund invests mainly in securities, fixed income assets, warrants, money market instruments, deposits, cash, near cash and property via collective investment schemes and, with the exception of property, by investing directly in these assets. The Fund may also invest directly in derivative instruments for the purposes of investment and efficient portfolio management. The Fund will invest no more than 60% of its portfolio in equities.

Episode Allocation Fund

Objective change

31 August 2018

The Fund's objective is to maximise total return (the combination of income and growth of capital) through investment in a diversified range of asset types. Subject to this, the Fund aims to grow income in the long term.

Episode Growth Fund	Objective change and name change from M&G Managed Fund	22 August 2012	The Fund invests mainly in securities, fixed income assets, warrants, money market instruments, deposits, cash, near cash and property mainly via collective investment schemes, but, with the exception of property, may invest directly in these assets. The Fund may also invest directly in derivative instruments for the purposes of investment and efficient portfolio management.
Episode Growth Fund	Objective change	31 August 2018	The Fund's objective is to maximise total return (the combination of income and growth of capital).
Episode Income Fund	Objective change and name change from M&G Income Multi Asset Fund	22 August 2012	The Fund invests in securities, fixed income assets, warrants, money market instruments, deposits and cash. Exposure to these assets, and to property, may also be gained via collective investment schemes and derivatives. The Manager may seek to minimise currency risk through a combination of diversification and hedging. Derivatives may also be used for efficient portfolio management purposes.
Episode Income Fund	Objective change	25 May 2017	The Fund's objective is to generate a high and rising level of income over time through investment in a diversified range of assets. Subject to this, the Fund aims to provide capital growth over the long term.
Episode Macro Fund	Objective change	11 June 2019	<p>The fund aims to provide a higher total return (the combination of income and capital growth) with smaller changes in returns on average, than company shares from around the world, over any three to five-year period. There is no guarantee that the fund will achieve a positive return over any period, and you may not get back the amount you originally invested.</p> <p>Core investment: Typically, the fund will use derivatives to invest in a range of assets, including company shares, bonds and currencies. It is fully flexible and has no limits or ranges in any particular asset class. As a result of its use of derivatives, the fund may be required to hold a large amount of cash and bonds. The fund may also invest directly or through other funds.</p> <p>Using derivatives to invest also allows the fund to create 'leverage', meaning that the fund can gain exposure to investments that exceed its value, thus increasing potential returns (or losses) in both rising and falling markets.</p> <p>In addition, derivatives are used to reduce risk and costs and to manage the impact of changes in currency exchange rates on the fund's investments.</p> <p>Other investments: The fund may also hold convertibles, cash, deposits, warrants and money market instruments (for example, debt due to be repaid within a year).</p> <p>Strategy in brief: The fund has a very flexible investment approach, with the freedom to invest in different types of assets from anywhere in the world. The approach combines in-depth research to work out the 'fair' value of assets over the medium to long term, with analysis of market reactions to events to identify investment opportunities. In cases where the manager believes the opportunities are limited to a few areas, the fund may be very concentrated in certain assets or markets. Such strategies may result in greater changes in the fund's short-term performance.</p>
European Corporate Bond Fund	Objective change	25 May 2017	As a result of the Swiss National Bank removing the currency peg since the balance sheet date, 31 December 2014, the Net Asset Value per share of the Swiss franc share classes has increased by approximately 12% to 12 February 2015.
European Corporate Bond Fund	Objective change	23 March 2020	<p><b>OBJECTIVE AND INVESTMENT POLICY</b></p> <p>The fund aims to provide a combination of capital growth and income.</p> <p>Core investment: At least 70% of the fund is invested in bonds issued by companies. These bonds can be denominated in any European currency. A minimum of 70% of the fund is in euro or hedged back to euro.</p> <p>Other investments: The fund may invest in government bonds, lower quality bonds and cash or assets that can be turned into cash quickly.</p> <p>Derivatives: The fund may invest via derivatives and use derivatives to reduce the risks and costs of managing the fund.</p> <p>Strategy in brief: The fund manager selects investments based on an assessment of macroeconomic, asset, sector and stock-level factors. Spreading investments across issuers, industries and countries is an essential element of the fund's strategy and the fund manager is assisted in the selection of individual bonds by an in-house team of analysts.</p> <p>Benchmark: ICE BofAML Euro Corporate Index</p> <p>The benchmark is a comparator against which the fund's performance can be measured. The index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy. The benchmark does not constrain the fund's portfolio construction. The fund is actively managed. The fund manager has freedom in choosing which assets to buy, hold and sell in the fund.</p> <p>The fund's holdings may deviate significantly from the benchmark's constituents. For unhedged share classes, the benchmark is shown in the share class currency. For currency hedged share classes, the benchmark is hedged to the share class currency.</p>

European Select Fund	Objective change and name change from M&G European Fund	6 November 2015	The Fund's prime objective is long term capital growth. It invests wholly or predominantly in a diversified portfolio of securities of European (excluding United Kingdom) issuers. When not wholly invested as above, it may also invest in companies which are listed or registered outside Europe but trade within it. Income is of secondary importance when investments are selected.
European Select Fund	Objective change	1 March 2019	The fund aims to provide a combination of capital growth and income, net of the Ongoing Charge Figure, that is higher than the FTSE World Europe ex UK Index over any five-year period. Core investment: At least 80% of the fund is invested directly in the shares of companies that are based, or do most of their business, in Europe (excluding the UK), across any sector and of any size. The fund usually holds shares in fewer than 50 companies. Strategy in brief: The fund employs a disciplined approach to analyse and select each company. The strategy invests in companies with sustainable competitive advantages that have the opportunity to reinvest their capital in projects that can deliver the highest rates of return. The fund manager seeks to identify companies that generate rising cashflows, and primarily allocate them to grow their businesses and dividends.
Fund of Investment Trust Shares	Objective change	30 January 2018	The fund aims to grow capital by investing in the shares of investment trust companies based in the UK and overseas. Core investment: Typically, the fund is at least 80% invested in the shares of investment trust companies listed in the UK. The fund typically holds these assets directly. Other investments: Generally, less than 10% is held as cash or assets that can be turned into cash quickly. Strategy in brief: The fund looks to provide access to a wide spread of investment trust companies that are often cheaper than their true worth. The fund manager invests in those areas and investment vehicles that he believes can deliver the most growth over five years or more. The selection of stocks is based on the investment philosophy and objective of the underlying holdings and the ability of each manager to deliver on them, as well as the valuation of the company shares. Income is less important when choosing investments and the dividend yield can be expected to be slightly less than the average for investment trust companies.
Gilt & Fixed Interest Income Fund	Objective change	26 June 2017	The Fund is designed to provide a secure income with stability of capital consistent with investment in gilts over a rolling three to five year period. 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.
Global Convertibles Fund	Objective change	1 March 2019	The fund aims to provide income and capital growth over five years or more by investing in convertibles from around the world. Core investment: Typically, at least 80% of the fund is invested in convertibles issued by companies from anywhere around the world, including emerging markets*. The fund also holds company shares in combination with bonds in order to replicate the exposure to convertibles when a direct holding is not available. Company shares are also held to adjust the technical characteristics of convertibles, such as making them more sensitive to changes in the price of the shares into which they convert. Other investments: Generally, less than 10% is held as cash or assets that can be turned into cash quickly. Use of derivatives: Derivatives may be used to gain exposure to the fund's core investments and to reduce risks and costs. Strategy in brief: The fund manager aims to take advantage of the special characteristics of convertibles, which can participate more in share price increases than falls. The fund manager has the freedom to decide which investments to hold in the fund, based on an assessment of company-specific factors and technical characteristics of convertibles. Spreading investments across issuers, industries and countries is an essential element of the fund's strategy and the manager is assisted in the selection of individual bonds by an in-house team of analysts. Performance measurement: The fund is actively managed. The Thomson Reuters Global Focus Convertible Bond Index is a point of reference against which the performance of the fund may be measured. * Emerging market countries are defined as those included within the MSCI Emerging Markets Index and/or those included in the World Bank's definition of developing economies, as updated from time to time. Glossary terms Bonds: Loans to governments and companies that pay interest. Convertibles: Bonds issued by companies that usually pay a set rate of interest and which can be exchanged for predetermined amounts of company shares. Derivatives: Financial contracts whose value is derived from other assets.
Global Dividend Fund	Objective change	25 May 2017	The Fund aims to deliver a dividend yield above the market average, by investing mainly in a range of global equities. The Fund aims to grow distributions over the long term whilst also maximising total return (the combination of income and growth of capital).
Global Emerging Markets Fund	Objective change	29 November 2019	The fund aims to provide income and capital growth over five years or more by investing in the shares of companies based in emerging market countries*.

Core investment: At least 70% of the fund is invested in the shares of companies from across the emerging markets, or companies that conduct the majority of their business in such countries.

Other investments: Generally, less than 10% is held as cash or assets that can be turned into cash quickly.

Strategy in brief: The fund manager focuses on finding companies with the potential to improve their future profitability, or the ability to sustain a high level of profitability over time. Constructing a portfolio of stocks with different profiles of profitability helps build a diversified portfolio with the potential to cope in different market conditions. The fund manager seeks companies whose future profitability is deemed to be undervalued by the market and looks to invest in companies whose corporate governance practices ensure the business is run in the interests of all shareholders.

\* Emerging market countries are defined as those included within the MSCI Emerging Markets Index and/or those included in the World Bank's definition of developing economies, as updated from time to time.

Benchmark: MSCI Emerging Markets Index

The fund manager makes active investment decisions for the fund. The benchmark is a comparator which can be used to measure the fund's performance.

For unhedged share classes, the benchmark is shown in the share class currency.

Global Select Fund	Objective change	17 November 2017	The fund aims to provide income and capital growth over five years or more by investing mainly in a range of company shares from anywhere in the world.
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The fund aims to provide a combination of capital growth and income.

Core investment: At least 80% of the fund is invested in the shares of companies from anywhere in the world, across any sector and of any size. The fund is concentrated and usually holds shares in fewer than 40 companies. Companies that are assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment and anti-corruption are excluded from the investment universe. Industries such as tobacco and controversial weapons are also excluded.

Other investments: Normally, the fund will be fully invested. However, it may also hold cash or assets that can be turned quickly into cash.

Global Select Fund	Objective change	29 November 2019	<p>Strategy in brief: The fund manager invests in the shares of companies with sustainable business models, where short-term issues have created buying opportunities for the fund due to these companies' valuations being, in the fund manager's view, undervalued. The fund manager believes that this approach offers a powerful combination of the long-term, compounding growth that quality businesses can deliver, along with the potential boost to a company's share price when a short-term issue has been resolved. Sustainability considerations are fully integrated into the investment process.</p> <p>Benchmark: MSCI World Index</p> <p>The fund manager makes active investment decisions for the fund. The benchmark is a comparator which can be used to measure the fund's performance.</p> <p>For unhedged share classes, the benchmark is shown in the share class currency.</p>
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Global Government Bond Fund	Objective change and name change from M&G International Sovereign Bond Fund	1 July 2014	The Fund aims to maximise total return (the combination of income and growth of capital) through investment in a portfolio of investment grade debt instruments.
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#### OBJECTIVE AND INVESTMENT POLICY

The fund aims to provide a combination of capital growth and income.

Core investment: At least 70% of the fund is invested in high quality bonds issued or guaranteed by governments from anywhere in the world.

Other investments: The fund may invest in lower quality bonds issued by governments or guaranteed by governments, other funds and cash or assets that can be turned into cash quickly.

Derivatives: The fund may invest via derivatives and use derivatives to reduce the risks and costs of managing the fund.

Strategy in brief: The fund manager selects investments based on an assessment of macroeconomic factors such as economic growth, interest rates and inflation.

This analysis determines the individual government bonds from different countries in which the manager believes the fund should invest in order to achieve its objective. It also influences the currencies to which the fund is exposed.

Global Government Bond Fund	Objective change	23 March 2020
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The fund manager is assisted in the selection of individual government bonds by the deputy fund manager and an in-house team of analysts. The fund is diversified by investing in a range of government bonds from across the globe.  
 Benchmark: IA Global Bonds sector  
 The benchmark is a comparator against which the fund's performance can be measured. The sector has been chosen as the fund's benchmark as the fund is a constituent of the sector. The benchmark does not constrain the fund's portfolio construction.  
 The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. For unhedged and hedged share classes, the benchmark is shown in the share class currency.

Global High Yield Bond Fund	Objective change	25 May 2017	The Fund is designed to maximise total return (the combination of income and growth of capital) while generating a high level of income.
Global Macro Bond Fund	Objective change	23 March 2020	<p><b>OBJECTIVE AND INVESTMENT POLICY</b>          The fund aims to provide a combination of capital growth and income over five years or more.          Core investment: At least 70% of the fund is invested in bonds issued by companies and governments from anywhere in the world. The fund invests in these assets directly and via derivatives.          Other investments: The fund may invest in cash or assets that can be turned into cash quickly.          Derivatives: The fund invests via derivatives and may use derivatives to reduce the risks and costs of managing the fund.          Strategy in brief: The fund is a flexible global bond fund. The fund manager selects investments based on an assessment of macroeconomic factors such as economic growth, interest rates and inflation. This analysis determines which areas of the global bond markets the manager believes the fund should invest in to achieve its objective. It also influences the subsequent selection of individual bond holdings, as well as the fund's currency exposures. The manager is assisted in the selection of individual bonds by the deputy fund manager and an in-house team of analysts. The fund is diversified by investing in a range of bonds from across the global bond markets.          Benchmark: IA Global Bonds sector          The benchmark is a comparator against which the fund's performance can be measured. The sector has been chosen as the fund's benchmark as the fund is a constituent of the sector.          The benchmark does not constrain the fund's portfolio construction. The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. For unhedged and hedged share classes, the benchmark is shown in the share class currency.</p>
Global Select Fund	Objective change and name changed from M&G Global Growth Fund	6 November 2015	The Fund will invest globally (including the UK) in the equities of companies across a wide range of geographies, sectors and market capitalisations. Income is of secondary importance to capital growth when investments are selected.
Global Recovery Fund	Objective and name change from M&G International Specialist Equity Fund	6 November 2015	The fund aims to maximise long term capital growth. Income is not a consideration
Global Recovery Fund	Objective change	1 March 2019	<p>The fund aims to grow capital over five years or more. Income is not a consideration.          Core investment: At least 80% of the fund is invested in the shares of companies from around the world.          Other investments: Generally, less than 10% is held as cash or assets that can be turned into cash quickly.          Strategy in brief: The fund's focus is on companies which, at the time of investment, the fund manager believes are either out of favour with the market, or whose future prospects are undervalued by the market, but have the potential to restore themselves to health. Companies held in the fund are expected to move through a recovery cycle over three to five years. The fund may invest across a wide range of countries, sectors and company sizes. The fund manager has a relatively simple investment approach, focusing on cashflow and management's strategy for recovery within a company.          Constructive dialogue with company management is therefore a key part of the investment process.          Performance measurement: The fund's performance is measured against the MSCI ACWI Index.</p>
Global Strategic Value Fund	Objective and name change from Global	6 December 2019	<p>Objective: The fund aims to provide a combination of capital growth and income, net of the Ongoing Charge Figure, that is higher than the MSCI ACWI Index over any five-year period.          Core investment: At least 80% of the fund is invested in the shares of companies from anywhere in the world (including emerging markets), across any sector and of any size.</p>

Recovery Fund

Other investments: The fund may also invest in other funds (including funds managed by M&G), cash or assets that can be turned into cash quickly.

Use of derivatives: Derivatives may be used for investment purposes or to reduce risks or costs.

Strategy in brief: The fund employs a disciplined approach to analyse and select each company. The 'recovery' strategy invests in companies that have experienced difficulties but have the potential to deliver returns for shareholders through their turnaround over the long term. The approach focuses on three key factors: people, strategy and cashflow. Developing a constructive dialogue with company management is fundamental to the investment process. The fund manager takes a long-term view with a typical holding period of five years or more.

Benchmark: MSCI ACWI Index

The fund manager makes active investment decisions for the fund. The benchmark is a target which the fund seeks to outperform. The target benchmark is used solely to measure the fund's performance.

For unhedged share classes, the benchmark is shown in the share class currency.

Global Themes Fund	Objective and name change from M&G Global Basics Fund	17 November 2017	<p>The fund aims to grow capital over five years or more.</p> <p>Core investment: At least 70% of the fund is invested in the shares of companies from anywhere in the world that operate in primary industries (such as mining and agriculture) and secondary industries (such as manufacturing), and also in companies that service these industries.</p> <p>Other investments: The fund may also invest in the shares of companies from other types of businesses. Generally, less than 10% is held as cash or assets that can be turned into cash quickly.</p> <p>Strategy in brief: The fund manager focuses on shares in companies that operate in primary industries (such as mining and agriculture) and secondary industries (such as manufacturing), and also in companies that service these industries. The emphasis is to identify and exploit investment themes that are likely to be the key long-term drivers of growth and select those companies best equipped to benefit from these themes. The fund manager follows a high-conviction global equity strategy which seeks to deliver long-term capital growth.</p>
Index-Linked Bond Fund	Objective change	26 June 2017	<p>The Fund aims to secure the value of capital and income from the effects of inflation over a rolling five year period or longer with a total return consistent with investment in index-linked bonds. 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>
Japan Fund	Objective change	1 March 2019	<p>The fund aims to grow capital over five years or more by investing in a wide range of Japanese company shares. Income is not a consideration when choosing investments.</p> <p>Core investment: At least 80% of the fund is invested in the shares of companies that are domiciled, or conducting the major part of their economic activity, in Japan.</p> <p>Strategy in brief: The fund manager selects shares in Japanese companies across a range of industries and company sizes. The focus is on stocks where the fund manager believes the share price is not fully valuing the company's sustainable earnings over the medium to long term. The fund manager applies disciplined and rigorous fundamental analysis during the selection process to ensure a high level of conviction around the valuation for each of the companies held in the fund. The fund usually holds less than 50 companies with a typical holding period of three to five years.</p> <p>Performance measurement: The fund is actively managed. The MSCI Japan Index is a point of reference against which the performance of the fund may be measured.</p>
Japan Smaller Companies Fund	Objective change	24 April 2019	<p>The fund aims to grow capital over five years or more by investing wholly or predominantly in the shares of smaller Japanese companies.</p> <p>Core investment: At least 80% of the fund is invested in the shares of smaller companies that are domiciled, or conducting the major part of their economic activity, in Japan.</p> <p>Other investments: When not wholly invested as above, the fund may invest in medium and larger companies to enhance its liquidity (ability to raise cash quickly).</p> <p>Strategy in brief: The fund invests in the shares of companies that make up the bottom third of all publicly listed companies in Japan, in terms of their stockmarket value. The fund manager selects stocks from across a wide range of industries. The focus is on stocks where the fund manager believes the share price is not fully valuing the company's sustainable earnings over the medium to long term. The fund manager applies disciplined and rigorous fundamental analysis during the selection process to ensure a high level of conviction around the valuation for each of the companies held in the fund. The fund usually holds less than 50 companies with a typical holding period of three to five years.</p> <p>Performance measurement: The fund is actively managed. The Russell Nomura Mid-Small Cap Index is a point of reference against which the performance of the fund may be measured.</p>
Managed Growth Fund	Objective change	31 August 2018	<p>The Fund's objective is to achieve long term capital growth.</p>
North American	Objective change and	28 April 2015	<p>The Fund's objective is long term capital growth through investment wholly or mainly in securities of North American (including Canadian) issuers. When not wholly invested as above, it may only invest in companies which are listed, registered or trading within North America.</p>

Dividend Fund	name change from M&G American Fund		<p>The fund aims to increase income distributions over five years or more and grow capital.</p> <p>Core investment: At least 70% of the fund is invested in the shares of North American companies with the potential to grow their dividends over the long term.</p> <p>Other investments: Generally, less than 10% is held as cash or assets that can be turned into cash quickly.</p>
North American Dividend Fund	Objective change	29 November 2019	<p>Strategy in brief: The fund manager has the freedom to decide which investments to hold in the fund. The focus is on companies with the potential to grow their dividends over the long term, although dividend yield is not the primary consideration for stock selection. The fund invests in company shares from across a wide range of sectors and company sizes. The fund manager selects stocks with different sources of dividend growth to build a fund that has the potential to cope in a variety of market conditions. When attempting to grow distributions, the fund manager's main focus is on delivering an increase in US dollar terms.</p> <p>Benchmark: S&amp;P 500 Index The fund manager makes active investment decisions for the fund. The benchmark is a comparator which can be used to measure the fund's performance.</p> <p>For unhedged share classes, the benchmark is shown in the share class currency.</p>
North American Value Fund	Objective change	1 March 2019	<p>The fund aims to grow capital over five years or more by investing in the shares of North American companies that the fund manager deems to be undervalued.</p> <p>Core investment: At least 80% of the fund is invested in the shares of companies based in North America.</p> <p>Strategy in brief: The fund employs a 'value' strategy, that is, investing in cheap, out-of-favour companies whose share price, in the manager's view, does not reflect the underlying value of the business. Stocks are selected on the basis of their individual merits, through a combination of value-focused screening and qualitative assessment.</p> <p>Performance measurement: The fund is actively managed. The S&amp;P 500 Index is a point of reference against which the performance of the fund may be measured.</p>
Optimal Income Fund	Objective change	23 March 2020	<p><b>OBJECTIVE AND INVESTMENT POLICY</b></p> <p>The fund aims to provide a combination of capital growth and income.</p> <p>Core investment: At least 50% of the fund is invested, directly or via derivatives, in a range of bonds issued by governments and companies from anywhere in the world, including emerging markets. The fund may invest in bonds of any credit quality, including lower quality bonds. These bonds can be denominated in any currency.</p> <p>Other investments: The fund may invest up to 20% in company shares. The fund may also invest in money market instruments, other funds and cash or assets that can be turned into cash quickly.</p> <p>Derivatives: The fund may invest via derivatives and use derivatives to reduce the risks and costs of managing the fund.</p> <p>Strategy in brief: The fund is a flexible global bond fund. The fund manager selects investments based on an assessment of macroeconomic, asset, sector and stock-level factors.</p> <p>Spreading investments across issuers and industries is an essential element of the fund's strategy and the fund manager is assisted in the selection of individual bonds by an in-house team of analysts.</p> <p>In seeking an optimal income stream from investments, the fund manager may invest in a company's shares if they present a more attractive investment opportunity relative to its bonds.</p> <p>Benchmark: IA Sterling Strategic Bond sector</p> <p>The benchmark is a comparator against which the fund's performance can be measured. The sector has been chosen as the fund's benchmark as the fund is a constituent of the sector. The benchmark does not constrain the fund's portfolio construction.</p> <p>The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. For unhedged and hedged Share Classes, the benchmark is shown in the Share Class currency.</p>
Pan European Dividend Fund	Objective change	25 May 2017	<p>The Fund aims to deliver a dividend yield above the market average, by investing mainly in a range of European equities. The Fund aims to increase distributions over the long term whilst also maximising total return (the combination of income and growth of capital).</p>
Pan European Select Fund	Objective change and name change from M&G Pan European Fund	6 November 2015	<p>The Fund invests wholly or mainly in European (including UK) companies. The Fund may also invest in companies outside Europe but only when these companies derive the majority of their income from European activity. The objective is to maximise long term total return (the combination of income and growth of capital).</p>



Pan European Select Fund	Objective change	17 November 2017	The fund aims to provide capital growth and income over five years or more by investing mainly in a range of company shares from across Europe, including the UK.
			The fund aims to provide a combination of capital growth and income.
			Core investment: At least 80% of the fund is invested in the shares of companies across any sector and of any size that are domiciled, or conducting the major part of their economic activity, in Europe. The fund is concentrated and usually holds shares in fewer than 35 companies. Companies that are assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment and anti-corruption are excluded from the investment universe. Industries such as tobacco and controversial weapons are also excluded.
			Other investments: Normally, the fund will be fully invested. However, it may also hold cash or assets that can be turned quickly into cash.
Pan European Select Fund	Objective change	29 November 2019	Strategy in brief: The fund manager invests in the shares of companies with sustainable business models, where short-term issues have created buying opportunities for the fund due to these companies' valuations being, in the fund manager's view, undervalued. The fund manager believes that this approach offers a powerful combination of the long-term, compounding growth that quality businesses can deliver, along with the potential boost to a company's share price when a short-term issue has been resolved. Sustainability considerations are fully integrated into the investment process.
			Benchmark: MSCI Europe Index
			The fund manager makes active investment decisions for the fund. The benchmark is a comparator which can be used to measure the fund's performance.
			For unhedged share classes, the benchmark is shown in the share class currency.
Pan European Select Smaller Companies Fund	Objective and fund name change from European Smaller Companies Fund	25 May 2018	Core investment: At least 70% of the fund is invested in the shares of companies that make up the bottom third of all publicly listed firms in Europe, in terms of their stockmarket value. Other investments: The fund also invests in medium and larger companies to enhance its liquidity (its ability to raise cash quickly). Strategy in brief: The fund manager invests in the shares of companies deemed to be of quality and with sustainable business models, where an element of change is helping to drive their value, and short-term issues have created attractive buying opportunities. The fund manager keeps the fund concentrated, generally holding fewer than 50 well-understood stocks, with a typical holding period of three to five years. The fund may invest across a wide range of industries. The fund manager maintains a balance of stocks with different risks and rewards to build a fund that has the potential to cope in a variety of market conditions. Income is not a top priority when choosing investments.
Recovery Fund	Objective change	1 March 2019	The fund aims to grow capital over five years or more by investing predominantly in the shares of companies that, at the time of investment, are out of favour with the stockmarket, and where the fund manager believes a good management team is making concerted efforts to turn the business around. Core investment: At least 80% of the fund is invested in the shares of companies. Currently these are predominantly UK-listed companies. Other investments: Generally, less than 10% is held as cash or assets that can be turned into cash quickly. Strategy in brief: The fund invests in those businesses whose problems are solvable and temporary rather than structural in nature, and which are expected to move through a recovery cycle. This is a relatively simple investment approach focusing on three key factors: people, strategy and cashflow. Developing a constructive dialogue with company management is fundamental to the investment process. The fund manager takes a long-term view with a typical holding period of five years or more. Performance measurement: The fund is actively managed. The FTSE All-Share Index is a point of reference against which the performance of the fund may be measured.
Short Dated Corporate Bond Fund	Objective change	23 March 2020	Objective and investment policy The fund aims to provide a combination of capital growth and income. Core investment: At least 80% of the fund is invested, directly or via derivatives, in high quality bonds issued by companies from anywhere in the world. These securities can be denominated in any currency. The fund typically invests in bonds which have short repayment dates and, as a result, it has a low portfolio duration. The fund aims to hedge any non-sterling assets back to sterling. Other investments: The fund may invest in bonds issued by governments and government-related institutions denominated in any currency. The fund may also invest in other funds and cash or assets that can be turned into cash quickly. Derivatives: The fund may invest via derivatives and use derivatives to reduce the risks and costs of managing the fund. Strategy in brief: The bonds held in the fund are generally issues due to be repaid within a short period to minimise the effect of interest rate movements on the fund's value. Asset allocation and bond selection are at the heart of the fund's investment process. The fund manager has the flexibility to

spread the portfolio across issuers, sectors and countries, supported by in-depth research by an in-house team of analysts.

Benchmark: Markit iBoxx EUR Corporates 1-3 year Index (GBP Hedged)

The benchmark is a comparator against which the fund's performance can be measured. The index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction. The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents. For unhedged and currency hedged share classes, the benchmark is shown in the share class currency.

Smaller Companies Fund	Objective change	13 March 2018	<p>Objective: The fund aims to provide income with stability of capital over three to five years. There is no guarantee that the fund will achieve this objective over any period. The income distributions and the value of your investment may rise and fall and you may not get back the amount you originally invested.</p> <p>Core investment: At least 70% of the fund is invested in bonds. Typically, these bonds are issued by companies due to be repaid within three years and floating rate notes. The fund holds these assets directly and through derivatives.</p> <p>Other investments: The fund also invests in bonds issued by governments (usually of developed countries) and high yield bonds. In some market conditions, the fund may have a high proportion invested in liquid assets (that is, assets that are easy to sell, such as cash).</p> <p>Use of derivatives: Derivatives may be used to gain exposure to the fund's core and other investments, to reduce risks and costs and to manage the impact of changes in currency exchange rates on the fund's investments.</p> <p>Strategy in brief: Credit research is at the heart of the fund's investment process. The fund is well diversified and maintains a short duration, or low sensitivity to changes in interest rates, in order to minimise the impact of interest rate movements on the fund's capital value. The fund manager believes this can best be achieved by selecting bonds that pay a variable rate and bonds that have a short repayment date.</p>
UK Income Distribution Fund	Objective change and name change from M&G Extra Income Fund	16 December 2016	<p>To deliver a high and rising income stream by investing at least 70% of the Fund in the shares of UK companies. The Fund targets a yield (annual income distributed as a percentage of the share price) that is 50% higher than that of the FTSE All-Share Index, but this may vary in the short term. The level of income provided may also vary over time. Secondary to this, the Fund aims to grow capital</p>
UK Income Distribution Fund	Objective change	31 July 2020	<p>The Fund aims to increase income distributions over time and targets a yield greater than that of the FTSE All-Share Index. Although income will be the primary consideration, the investment manager will also aim for capital growth.</p>
UK Inflation Linked Corporate Bond Fund	Change of objective	16 December 2019	<p>The Fund aims to protect the value of capital and income from inflation by generating a return consistent with or greater than UK inflation over a rolling three to five year period. 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>
UK Select Fund	Objective change and name change from M&G UK Growth Fund	6 November 2015	<p>The Fund invests principally in the equities of UK companies with high growth potential with the sole objective of capital growth. The Fund may at any time be concentrated in a limited number of equities. Income considerations are ignored.</p>