

16 October 2025

Dear Shareholder

European Specialist Investment Funds (“ESIF”) Account Name	ESIF Account Number
<Account_Name>	<Account_Number>
<Account_Name>	<Account_Number>

Changes to:

- **M&G European High Yield Credit Investment Fund**
- **M&G Total Return Credit Investment Fund**
- **M&G Sustainable Total Return Credit Investment Fund**

(each a “Fund”, together the “Funds”),

all sub-funds of European Specialist Investment Funds (the “Company”)

We recommend that you read this letter carefully.

Defined terms used in this letter have the same meaning as in the Company’s Prospectus, unless otherwise defined hereafter.

I am writing to inform you of our plans to make a number of changes to the Funds. All changes will become effective from 20 November 2025 (the “**Effective Date**”). Please refer to the table below for the sections that apply to you. Additional information for all investors can also be found in section 3 on page 3.

Fund	Change	Refer to:
M&G European High Yield Credit Investment Fund	Change related to investment in distressed and defaulted debt securities	Section 1/page 2 and appendices on page 5
M&G Sustainable Total Return Credit Investment Fund	Change related to investment in distressed and defaulted debt securities	Section 1/page 2 and appendices on page 5
	Expected average level of leverage change	Section 2/page 2
M&G Total Return Credit Investment Fund	Change related to investment in distressed and defaulted debt securities	Section 1/page 2 and appendices on page 5
	Expected average level of leverage change	Section 2/page 2

continued overleaf

1. Changes to:

- **M&G European High Yield Credit Investment Fund**
- **M&G Sustainable Total Return Credit Investment Fund**
- **M&G Total Return Credit Investment Fund**

From the Effective Date, the Investment Policies for these Funds will be amended to specify that each Fund may hold up to 10% of its Net Asset Value in distressed debt securities and defaulted debt securities.

In addition to the amendment to the Funds' Investment Policies, we will also:

- add a 'downgrade policy' to each Fund's Investment Approach section within its Fund Supplement to clarify what action the Investment Manager may take in the event of a credit rating downgrade to a security or an issuer held by the Funds; and
- add a "Distressed and Defaulted Debt Securities Risk" in each Fund Supplement's Main Risks' section.

We will also amend the general part of the Prospectus to:

- introduce the 'Distressed and Defaulted Debt Securities Risk' to the 'Risk Factors' section; and
- include definitions for 'Distressed Debt Security' and 'Defaulted Debt Security' in the 'Principal Features and Definitions' section.

The downgrade policy, along with details of the new Risk Factor and both new definitions, can be found in the Appendices at the end of this letter.

Why are these changes happening?

The changes will provide increased investment flexibility to the Funds. They will also provide more transparency for investors by providing additional details on what the Funds are able to invest in, and within what limits.

There will be no change to the Funds' respective Investment Objectives and Investment Strategies and, where applicable, their classifications under the Sustainable Finance Disclosure Regulation ("SFDR") will remain unchanged. There will be no material change to the Funds' overall liquidity and risk profiles. The change will not result in any changes to the Funds' respective portfolios.

2. Changes to the expected average level of leverage of:

- **M&G Total Return Credit Investment Fund**
- **M&G Sustainable Total Return Credit Investment Fund**

Each Fund Supplement will be amended to specify that, from the Effective Date, each Fund's expected average level of leverage under normal market conditions will generally not exceed 500% of their Net Asset Values when calculated in accordance with the "Sum of Notionals" approach – see details below.

For M&G Total Return Credit Investment Fund, this will represent a decrease from 900% to 500%, and for M&G Sustainable Total Return Credit Investment Fund this will represent an increase from 300% to 500%.

continued

Why is the change happening?

In accordance with the UCITS regulations, each Fund's expected average level of leverage is determined using the "Sum of Notionals" approach. This approach shows each Fund's "gross" total of derivative exposure by aggregating the sum of notional exposure of all derivatives used by each Fund, including those used for risk reduction purposes such as currency hedging. The approach does not take into account any netting of derivative positions against equivalent "offsetting" positions. An offsetting position is a trade that cancels or offsets some or all of the market risk of an open position.

For **M&G Total Return Credit Investment Fund**, since launch, the average level of leverage under normal market conditions has consistently been lower than the 900% currently stated in the Fund Supplement. Reducing the expected average level of leverage to no higher than 500% provides a more accurate description of the Fund, whilst retaining flexibility for the future.

For **M&G Sustainable Total Return Credit Investment Fund**, increasing the Fund's expected average level of leverage provides greater flexibility for the future and aligns it to the level of the M&G Total Return Credit Investment Fund, which follows a similar investment strategy.

There will be no change to the way the Funds are managed, and this change will not result in any amendments to the Funds' Investment Objectives, Investment Policies and Investment Approaches remaining unchanged. There will be no material change to the Fund's overall risk profiles.

3. Additional information

Administration costs associated with the changes

All administration costs associated with implementing the changes will be borne by M&G.

Making changes to your investment

You may sell your investment, or switch it to another sub-fund of the Company, free of charge, at any point before or after the changes have taken place subject to our terms and conditions.

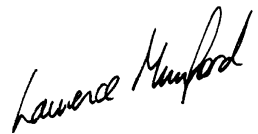
For more information

If you have any further queries, please do not hesitate to contact your Client Director, Maria Stott (institutional.client.directors@mandg.com).

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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 sincerely

A handwritten signature in black ink that reads "Laurence Mumford". The signature is written in a cursive style with a large initial 'L'.

Laurence Mumford
Chair, European Specialist Investment Funds

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- Appendix 1: Downgrade policy – to be included in each Fund’s Investment Approach from 20 November 2025
- Appendix 2: New risk factor to be included in the Company’s Prospectus from 20 November 2025
- Appendix 3: New definitions to be included in the Company’s Prospectus from 20 November 2025

Appendix 1

Downgrade policy – to be included in each Fund's Investment Approach from 20 November 2025

In the event that a debt security's or an issuer's credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Appendix 2

New risk factor to be included in the Company's Prospectus from 20 November 2025

Distressed and Defaulted Debt Securities Risk

No Fund may invest in distressed and defaulted debt securities unless this is expressly stated in the relevant Fund's investment policy.

Investment in these types of securities involve significant risk. A Fund's investment in securities of an issuer in weak financial condition may include issuers with substantial capital needs or negative net worth or issuers that are, have been or may become, involved in bankruptcy or reorganisation proceedings.

Distressed securities frequently do not produce income while they are outstanding and may require the holders to bear certain extraordinary expenses in order to protect and cover its holding. Typically, an investment in distressed securities will be made when the Investment Manager believes either that the security is offered at a materially different level from what the Investment Manager believes to be its fair value, or that it is reasonably likely that the issuer will make an exchange offer or will be subject to a plan of reorganisation, however, there can be no assurance that such an exchange offer will be made, or such a plan of reorganisation will be adopted, or any securities or other assets received in connection with such an exchange offer or reorganisation plan will not have a lower value or income potential than anticipated when the initial investment was made.

Before investing in high yield bonds and on an ongoing basis, the Investment Manager will analyse whether such bonds are to be considered as distressed securities (or not) and will ensure compliance with the investment policy of the relevant Fund.

Defaulted securities are those for which the issuer failed to repay the principal and/or make interests payments.

Although investment in defaulted securities may result in significant returns for a Fund, it involves a substantial risk of liquidity.

The risk of loss due to default may be considerably greater with lower quality securities because they are generally unsecured and are often subordinated to other creditors of the issuer. If the issuer of a security in a Fund's portfolio defaults, the Fund may have unrealised losses on the security, which may lower the Fund's net asset value.

Defaulted securities tend to lose much of their value before they default. Thus, the Fund's net asset value may be adversely affected before an issuer defaults. In addition, the Fund may incur additional expenses if it must try to recover principal or interest payments on a defaulted security.

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Appendix 3

New definitions to be included in the Company's Prospectus from 20 November 2025

Distressed Debt Security

A distressed debt security is a debt instrument issued by a company or government entity with a credit rating of CC or lower, based on the highest rating assigned by Standard & Poor's, Moody's, or Fitch. In the absence of an external rating, the Investment Manager's internal rating will be used.

Defaulted Debt Security

A debt security issued by a company or government entity that is in default with respect to the payment of interest or repayment of principal. These securities may be defaulted and undergoing restructuring, bankruptcy or other proceedings in an attempt to avoid insolvency. Investing in these securities involves special risks in addition to the risks associated with "high yield" debt securities as issuers of securities in default may fail to resume principal or interest payments, in which case the Fund may lose its entire investment.

Such investments will only be made when the Investment Manager believes either that the security trades at a materially different level from the Investment Manager's perception of fair value or that it is reasonably likely that the issuer of the securities will make an exchange offer or will be the subject of a plan of reorganisation; however, there can be no assurance that such an exchange offer will be made or that such a plan of reorganisation will be adopted or that any securities or other assets received in connection with such an exchange offer or plan of reorganisation will not have a lower value or income potential than anticipated when the investment was made.

A significant period of time may pass between the time at which the investment in defaulted debt securities is made and the time that any such exchange, offer or plan of reorganisation is completed. During this period, it is unlikely that any interest payments on the defaulted debt securities will be received, there will be significant uncertainty as to whether fair value will be achieved or not and the exchange offer or plan of reorganisation will be completed, and there may be a requirement to bear certain expenses to protect the investing Fund's interest in the course of negotiations surrounding any potential exchange or plan of reorganisation.