

12 March 2025

Dear Shareholder

Please refer to Appendix 3 for a full list of your ESIF Account Names and Numbers

Changes to M&G Sustainable European Credit Investment Fund and M&G Sustainable Total Return Credit Investment Fund (the “Funds”), 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 the following changes that we will be implementing for the Funds on Wednesday 12 March 2025 (the “Effective Date”); note that one of the changes in item 1, and item 3 solely apply to the M&G Sustainable Total Return Credit Investment Fund:

1. The below changes will be applied to the Funds in order to comply with the European Securities and Markets Authority (“**ESMA**”) guidelines on fund names using Environmental, Social and Governance (“**ESG**”) or sustainability-related terms (the “**Guidelines**”):
 - Addition of new ESG exclusions.
 - Increase of the Fund’s alignment to the promoted Environmental and/or Social (“**E/S**”) characteristics from 70% to 80% (this change only applies to the M&G Sustainable Total Return Credit Investment Fund).
 - Treatment of cash as aligned to the Exclusionary Approach promoted characteristic where it is placed on term deposits with institutions or invested in money market funds which pass the Investment Manager’s ESG quality threshold.
2. Changes to some of the Funds’ ESG exclusions in order to align them to those applied to the standard, or “baseline” exclusions applied to our fixed income funds classified as ‘Planet+ / Sustainable’.
3. Update to the Fund’s restrictions related to the Febelfin ‘Towards Sustainability’ label (the “**Label**”) (this change only applies to M&G Sustainable Total Return Credit Investment Fund).

continued overleaf

4. Rationalisation of the Funds' ESG-related documentation available on the M&G website.

There will be no change to the Funds' respective Investment Objectives, Investment Policies and Investment Strategies, and 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 changes will not result in any changes to the Funds' respective portfolios.

1. Changes related to the implementation of the Guidelines

Full details of the Funds' current and updated EU Sustainable Finance Disclosure Regulation ("SFDR") pre-contractual annexes in the Prospectus can be found in Appendix 1.

- **Addition of new ESG exclusions**

In order to comply with the Guidelines, which will take effect on Wednesday 21 May 2025, we will introduce a new 'ESMA Naming Guidelines Exclusions' annex in the Funds' Sustainability-related disclosures, which are available on the M&G website and will be updated on the Effective Date.

The annex will include full details of the new Guidelines-related exclusions, specifically the additional exclusion criteria (and applicable thresholds) related to the Paris-Aligned Benchmark¹ ("PAB"), which the Guidelines require the Funds to adhere to.

You should note that the Funds may apply stricter exclusion thresholds than those related to the PAB. Full details of the ESG exclusions applicable to the Funds can be found in their respective Sustainability-related disclosures on the M&G website.

- **Increase of M&G Sustainable Total Return Credit Investment Fund's alignment to the promoted E/S characteristics;**

From the Effective Date, the minimum proportion of M&G Sustainable Total Return Credit Investment Fund's Net Asset Value ("NAV") that must be aligned with its promoted E/S characteristics will increase from 70% to 80% to comply with the Guidelines.

For the sake of clarity, this Fund is already committed to investing meaningfully (with a minimum of 51% of the Fund's NAV) in sustainable investments referred to in Article 2(17) of the SFDR.

It should also be noted that M&G Sustainable European Credit Investment Fund is already committing to hold at least 80% of its NAV in investments that meet its promoted E/S characteristic and to invest meaningfully (with a minimum of 51% of the Fund's NAV) in sustainable investments referred to in Article 2(17) of the SFDR, and this change does not therefore need to be applied to this Fund.

- **Treatment of cash as aligned to the Exclusionary Approach promoted characteristic**

The 80% threshold as referred to above will be attained by applying an ESG cash solution to the Funds, and the Funds' cash holdings will therefore be assessed against an ESG quality threshold.

continued

¹ Paris-aligned benchmarks are indices whose total emission levels are aligned with the Paris Agreement, which seeks to limit the rise in global temperatures to well below 2 degrees Celsius above pre-industrial levels, and to pursue efforts to keep the rise to 1.5 degrees Celsius.

As a result, cash may be treated as aligned to each Fund's Exclusionary Approach promoted characteristic where it is placed on term deposits with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold.

The percentage of cash placed on term deposits with institutions or placed in money market funds below the Investment Manager's ESG quality threshold will therefore be added to the list of sustainability indicators selected to demonstrate the attainment of the promoted E/S characteristics.

2. Alignment of the Fund's existing ESG exclusions with the M&G Planet+ / Sustainable ruleset

The Funds' existing ESG exclusions will be aligned with the Investment Manager's ESG Classification 'Planet+/Sustainable' ruleset.

In addition, certain exclusions introduced prior to the introduction of the M&G Sustainable baseline will be removed in order to align with the Guidelines' requirements, including the PAB exclusions.

From the Effective Date, the following adjustments will be made to the existing ESG exclusions:

- Good Governance exclusions: the Funds currently exclude issuers from countries classified as "Not Free" by the Freedom House index. From the Effective Date, Good Governance exclusions will be based on the Investment Manager's good governance tests. This will not result in any material changes to the Funds' holdings.
- Combined 5% revenue threshold for Fossil Fuel exclusion: replacement of existing fossil fuel exclusions with the combined threshold for Thermal Coal, Conventional and Unconventional Oil & Gas, and Carbon-Intensive Power Generation exclusion of 5%, in accordance with the M&G Sustainable baseline.
- Genetically Modified Crops Exclusion: removal of the 5% Genetically Modified Crops exclusion.
- Adult Entertainment exclusion: restriction of adult entertainment revenue to 5% for producing, directing or publishing, in accordance with M&G Sustainable baseline.

From the Effective Date, full details of these updated exclusions will be available on the M&G website in the Funds' respective Sustainability-related disclosures under the "ESG Criteria" and "Annex 2 – ESG Criteria – Exclusions and Restrictions" sections.

3. Update to M&G Sustainable Total Return Credit Investment Fund's exclusions and restrictions related to the Label

The following changes will be made as a result of an update to Label requirements:

- In line with Label requirements, the minimum proportion of the Fund's NAV aligned with its promoted E/S characteristics will be increased from 70% to 80% (this is also a Guidelines requirement as described above).
- The Fund's restrictions related to the Label will be updated to align with the Label's latest requirements.
- The Fund will target a weighted average carbon intensity to be at least 15% lower than that of the investment universe of global corporate bonds as represented by a composite index of 50% Bloomberg Global Investment Grade Bond Index and 50% Bloomberg Global High Yield Bond Index.

As from the Effective Date, the Fund's precontractual annex within the Prospectus will be updated accordingly.

In addition, the Fund's Sustainability-related disclosures, which are available on the M&G website, will be updated with a new "Towards sustainability Quality Standard" annex where the updated restrictions and policies requirements related to the Label can be found.

continued overleaf

4. Rationalisation of the Funds' ESG-related documentation

ESG-related information for each Fund is currently included in the ESG Criteria document, as well as in the Sustainability-related disclosures, which are available on the M&G website.

From the Effective Date, information currently included in the Funds' ESG criteria documents, including details of the ESG exclusions that apply to each Fund, will be migrated to the Funds' Sustainability-related disclosures. This will make it easier for investors to access ESG-related information for each Fund.

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

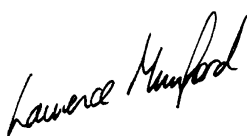
You may sell your investment, or switch it to another sub-fund of the Company, free of charge, at any point before or after the changes have taken place subject to our terms and conditions.

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).

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,



Laurence Mumford
Chair, European Specialist Investment Funds

Appendix 1: Comparison of current and updated SDFR precontractual annex for M&G Sustainable European Credit Investment Fund

Appendix 2: Comparison of current and updated SDFR precontractual annex for M&G Sustainable Total Return Credit Investment Fund

Appendix 3: Full list of your ESIF Account Names and Numbers

Appendix 1
Comparison of current and updated SDFR precontractual annex for
M&G Sustainable European Credit Investment Fund

The changes are highlighted in **bold**. Please note that only sections that are impacted by the changes have been included below. The full precontractual annex for the Fund can be found in the Company’s Prospectus.

Effective until Tuesday 11 March 2025	Effective from Wednesday 12 March 2025
<p>What environmental and/or social characteristics are promoted by this financial product?</p> <p>The Fund promotes the use of an Exclusionary Approach and a strategy to achieve a Positive ESG Outcome (as defined below):</p> <p>The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society and to assist it in delivering more sustainable outcomes. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager’s proprietary scoring methodology (“Exclusionary Approach”).</p> <p>Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to do significant harm to environmental and/or social objectives.</p> <p>The Fund typically has a higher weighted average ESG rating and lower weighted average carbon intensity than an index used as a proxy for its investment universe (“Positive ESG Outcome”). The Fund’s calculation methodology does not include those securities that do not have carbon intensity data respectively, or cash, near cash, some derivatives and some collective investment schemes.</p> <p>In constructing a portfolio which favours investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings remaining within the narrowed universe. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. For further information on the Fund’s exclusions, please refer to the Fund’s website disclosure, which may be found via the following</p>	<p>What environmental and/or social characteristics are promoted by this financial product?</p> <p>The Fund promotes the use of an Exclusionary Approach and a strategy to achieve a Positive ESG Outcome (as defined below):</p> <p>The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society and to assist it in delivering more sustainable outcomes. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager’s proprietary scoring methodology.</p> <p>Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is placed on term deposits with institutions or invested in money market funds which pass the Investment Manager’s ESG quality threshold (“Exclusionary Approach”).</p> <p>Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to do significant harm to environmental and/or social objectives.</p> <p>For further information on the Fund’s exclusions, please refer to the Fund’s website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.</p> <p>The Fund typically has a higher weighted average ESG rating and lower weighted average carbon intensity than an index used as a proxy for its investment universe (“Positive ESG Outcome”).</p> <p>The Fund’s calculation methodology does not include those securities that do not have carbon intensity data respectively, or cash, near cash, some derivatives and some collective investment schemes.</p> <p>In constructing a portfolio which favours investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings remaining within the narrowed universe.</p>

<p>link www.mandg.com/country-specific-fund-literature.</p> <p>No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.</p>	<p>At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.</p>
<p>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</p> <p>The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:</p> <ul style="list-style-type: none"> • Exclusionary approach: Percentage (%) of NAV held in excluded investments <p>Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment</p> <ul style="list-style-type: none"> • Positive ESG Outcome: Portfolio weighted average ESG score versus investment universe weighted average ESG score • Positive ESG Outcome: Portfolio weighted average carbon intensity versus investment universe weighted average carbon intensity 	<p>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</p> <p>The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:</p> <ul style="list-style-type: none"> • Exclusionary approach: Percentage (%) of NAV held in excluded investments • Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment • Exclusionary approach: Percentage (%) of cash placed on term deposits with institutions or placed in money market funds below the Investment Manager's ESG quality threshold <p>Positive ESG Outcome: Portfolio weighted average ESG score versus investment universe weighted average ESG score</p> <ul style="list-style-type: none"> • Positive ESG Outcome: Portfolio weighted average carbon intensity versus investment universe weighted average carbon intensity
<p>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</p> <p>The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards are applied. Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.</p>	<p>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</p> <p>The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards are applied where such instruments are held as “Other” instruments. Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.</p>

<p>The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.</p> <p>It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.</p>	<p>The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.</p> <p>It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.</p>
---	---

Appendix 2
Comparison of current and updated SDFR precontractual annex for
M&G Sustainable Total Return Credit Investment Fund

The changes are highlighted in **bold**. Please note that only sections that are impacted by the changes have been included below. The full precontractual annex for the Fund can be found in the Company’s Prospectus.

Effective until Tuesday 11 March 2025	Effective from Wednesday 12 March 2025
<p>What environmental and/or social characteristics are promoted by this financial product?</p> <p>The Fund promotes the use of an Exclusionary Approach and a strategy to achieve a Positive ESG Outcome (as defined below):</p> <p>The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society and to assist it in delivering more sustainable outcomes. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager’s proprietary scoring methodology (“Exclusionary Approach”).</p> <p>Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to do significant harm to environmental and/or social objectives.</p> <p>The Fund typically has a higher weighted average ESG rating and lower weighted average carbon intensity than an index used as a proxy for its investment universe (“Positive ESG Outcome”). The Fund’s calculation methodology does not include those securities that do not have carbon intensity data respectively, or cash, near cash, some derivatives and some collective investment schemes.</p> <p>In constructing a portfolio which favours investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings remaining within the narrowed universe. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. For further information on the Fund’s exclusions, please refer to the Fund’s website disclosure, which may be found via the following</p>	<p>What environmental and/or social characteristics are promoted by this financial product?</p> <p>The Fund promotes the use of an Exclusionary Approach and a strategy to achieve a Positive ESG Outcome (as defined below):</p> <p>The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society and to assist it in delivering more sustainable outcomes. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager’s proprietary scoring methodology.</p> <p>Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is placed on term deposits with institutions or invested in money market funds which pass the Investment Manager’s ESG quality threshold (“Exclusionary Approach”).</p> <p>Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to do significant harm to environmental and/or social objectives.</p> <p>For further information on the Fund’s exclusions, please refer to the Fund’s website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.</p> <p>The Fund typically has a higher weighted average ESG rating and lower weighted average carbon intensity than an index used as a proxy for its investment universe (“Positive ESG Outcome”).</p> <p>The Fund’s calculation methodology does not include those securities that do not have carbon intensity data respectively, or cash, near cash, some derivatives and some collective investment schemes.</p> <p>In constructing a portfolio which favours investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings remaining within the narrowed universe.</p>

<p>link www.mandg.com/country-specific-fund-literature.</p> <p>No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.</p>	<p>At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.</p>
<p>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</p> <p>The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:</p> <ul style="list-style-type: none"> • Exclusionary approach: Percentage (%) of NAV held in excluded investments • Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment • Positive ESG Outcome: Portfolio weighted average ESG score versus investment universe weighted average ESG score • Positive ESG Outcome: Portfolio weighted average carbon intensity versus investment universe weighted average carbon intensity 	<p>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</p> <p>The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:</p> <ul style="list-style-type: none"> • Exclusionary approach: Percentage (%) of NAV held in excluded investments • Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment • Exclusionary approach: Percentage (%) of cash placed on term deposits with institutions or placed in money market funds below the Investment Manager's ESG quality threshold • Positive ESG Outcome: Portfolio weighted average ESG score versus investment universe weighted average ESG score • Positive ESG Outcome: Portfolio weighted average carbon intensity versus investment universe weighted average carbon intensity
<p>What is the asset allocation planned for this financial product?</p> <p>The Investment Manager expects at least 70% of the fund to be aligned to the promoted E/S characteristics. At least 51% of the fund will be in Sustainable Investments.</p>	<p>What is the asset allocation planned for this financial product?</p> <p>The Investment Manager expects at least 80% of the Fund to be aligned to the promoted E/S characteristics. At least 51% of the fund will be in Sustainable Investments.</p>
<p>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</p> <p>The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards are applied. Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the</p>	<p>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</p> <p>The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards are applied where such instruments are held as “Other” instruments. Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may</p>

<p>Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.</p> <p>The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.</p> <p>It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.</p>	<p>be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.</p> <p>The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.</p> <p>It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.</p>
---	---

Appendix 3
Full list of your ESIF Account Names and Numbers

European Specialist Investment Funds ("ESIF") Account Name	ESIF Account Number