17 June 2019

Dear Investor

Changes to M&G’s fund charges

I am writing to you about changes we are making to simplify the way we charge for M&G funds based in the UK, starting on Thursday 1 August 2019. These changes will not increase the charges you pay for your funds. Depending on the M&G fund(s) in which you invest, the charges you pay may fall.

This letter and the accompanying leaflet explain these changes in more detail. If you have any more questions, please contact our Customer Services Team by email at csmandg@rbc.com or by telephone on +352 2605 9944.

Why are we making changes?

We know from customer feedback that most investors would like fund charges to be easier to understand and compare. Our current charges can be complicated to understand, as they are made up of several different costs. Some of these, such as the annual management and administration charges, are paid to M&G for the running of a fund, while others are paid directly to third parties that provide services to the fund.

What is changing?

We are combining all the charges that make up the current Ongoing Charge Figure (OCF) (see page 1 in the enclosed leaflet) into a single annual charge. Only exceptional items such as unforeseen legal and tax expenses, also known as extraordinary expenses, will be excluded from the annual charge.

The new annual charges for some of our funds are initially being set lower than their current OCF. No fund will have new annual charges that are higher than the current OCF (as shown in your fund’s Key Investor Information Document dated 15 February 2019).

We are also discounting charges on some of our largest funds, to reflect potential savings from economies of scale.

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What do the changes mean for me?

- Your annual charge should be simpler to understand and easier to compare with other fund charges.
- Your annual charge should be more predictable, as some costs which varied from year to year under the current way we charge will effectively be capped under the new annual charge.
- You may pay slightly less to invest with us, depending on the funds in which you are invested.
- You will not pay any more to invest with us.

When do these changes happen?

The changes come into effect on Thursday 1 August 2019.

To find out the new annual charge and the OCF on the KIID for the share class(es) you are invested in, visit our website **www.mandg.com** or call our Customer Services Team using the contact details below.

For more information

If you require further information, please do not hesitate to contact our Customer Services Team by email at csmandg@rbc.com or by telephone on +352 2605 9944. We are open from 09:00 to 18:00 CET Monday to Friday. For your security and to improve the quality of our service we may record and monitor telephone calls.

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.

Thank you for choosing to invest with M&G.

Yours faithfully

Jonathan Willcocks
Global Head of Distribution
M&G Securities Limited