

# 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>
M&G (Lux) Absolute Return Bond Fund	Objective change	22 July 2019	<p>The fund aims to deliver combined income and capital growth of at least the cash rate plus 2.5% a year over any three-year period. That is before any charges are taken and in any market conditions. The cash rate is based on the three-month EURIBOR rate at which banks borrow money from each other. The fund aims to achieve this while seeking to minimise the degree to which the value of the fund fluctuates over time, and also seeking to limit monthly losses. Managing the fund in this way reduces its ability to achieve returns significantly above three-month EURIBOR plus 2.5%. There is no guarantee that the fund will achieve a positive return over any period. Investors may not get back the original amount they invested.</p> <p>Investment policy</p> <p>The fund will invest predominantly – at least 70% – in bonds (loans to governments or companies paying fixed, floating or index-linked returns), currencies, cash, near cash (short-term and easily traded bonds) and deposits. These assets may be issued anywhere in the world and denominated in any currency. The fund may gain exposure to financial assets by investing through other funds or through the use of derivatives. Derivatives are financial contracts with a value derived from one or more underlying assets. The fund may use derivatives to reduce risk, to benefit from the fall in price of specific assets, and to gain exposure to investments exceeding the value of the fund in order to increase its potential return. Derivatives may be used to meet the fund's objective and for efficient portfolio management purposes. Derivatives the fund may invest in include:</p> <ul style="list-style-type: none"> <li>- Spot and forward contracts (bespoke agreements to buy or sell assets at a specified price at a future date)</li> <li>- Exchange-traded futures (standard agreements to buy or sell currencies, shares, bonds or interest rates at a future date at a predetermined price)</li> <li>- Swaps (agreements which involve exchanging cashflows with another party), including fixed or index-linked interest rate swaps, inflation-linked interest rate swaps, share, bonds, currency, or other asset swaps.</li> <li>- Credit default swaps (agreements which exchange credit risk between parties.</li> <li>- For example, they can be used to protect the fund against potential defaults of companies, group of companies or governments.) These swaps can be 'single name' where the credit risk relates to a bond of one particular issuer, or 'index' where the underlying asset is an index of bonds from different issuers.</li> </ul> <p>Options on shares, bonds, currencies or indexes (options offer the right or the obligation to buy or sell an asset at an agreed price and time). Bonds the fund may invest in include:</p> <ul style="list-style-type: none"> <li>- Up to 20% in asset-backed securities (tradeable market instruments whose income and therefore value derives from a specified group of underlying assets)</li> <li>- Bonds classified as 'investment grade' by one of the recognised ratings agencies (that is, rated 'BBB-' or above by Fitch or Standard &amp; Poor's, or 'Baa3' or above by Moody's)</li> <li>- Up to 60% combined in unrated debt securities and 'sub-investment grade' bonds (that is, rated lower than 'BBB-' by Fitch or Standard &amp; Poor's, or lower than 'Baa3' by Moody's)</li> <li>- Bonds issued or guaranteed by companies, governments, local authorities, government agencies or certain public international bodies. Bonds from issuers located in emerging markets.</li> <li>- Up to 20% in contingent convertible bonds (bonds issued by companies which convert into shares in the company when certain conditions are met). The fund may also enter into total return swaps (agreements which involve exchanging flows of income and capital gains from an underlying asset with another party). The fund's exposure through total return swaps will generally not exceed 25% of the fund's value. The maximum which can be subject to total return swaps is 50% of the fund's value.</li> </ul>

The fund aims to provide a positive total return (combined income and capital growth) of 3-6% on average per year over any three-year period by investing in a mix of assets from anywhere in the world.

#### Investment policy and strategy

Core investment: The fund will typically invest within the following net allocation ranges:

- 0-100% in bonds
- 0-35% in company shares
- 0-20% in other assets (including convertibles and property-related securities)

The fund typically invests in the above assets via derivatives. The fund may also invest in assets directly or through other funds. The ranges shown above are on a net basis, that is, 'long' positions (investments that profit from a rise in asset prices) net of 'short' positions (investments held via derivatives that profit from a fall in asset prices). 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.

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.

Other investment: The fund may also invest in currencies and hold cash, deposits and warrants.

Strategy in brief: The fund is managed with a highly flexible investment approach. The investment manager has the freedom to allocate capital between different types of assets in response to changes in economic conditions and asset prices. The approach combines in-depth research to work out the 'fair' value of assets over the medium to long term, with analysis of the market's short-term reactions to events, to identify investment opportunities. The fund seeks to manage risk by investing globally across multiple asset classes, sectors, currencies and countries. Where the investment manager believes opportunities are limited to a few areas, the portfolio may be very concentrated in certain assets or markets. The investment manager will normally seek to hold at least 60% of the fund in euros.

M&G (Lux) Conservative Allocation Fund	Objective change	22 July 2019	<p>The fund aims to provide a positive total return (combined income and capital growth) of 3-6% on average per year over any three-year period by investing in a mix of assets from anywhere in the world.</p> <p>Investment policy and strategy</p> <p>Core investment: The fund will typically invest within the following net allocation ranges:</p> <ul style="list-style-type: none"> <li>- 0-100% in bonds</li> <li>- 0-35% in company shares</li> <li>- 0-20% in other assets (including convertibles and property-related securities)</li> </ul> <p>The fund typically invests in the above assets via derivatives. The fund may also invest in assets directly or through other funds. The ranges shown above are on a net basis, that is, 'long' positions (investments that profit from a rise in asset prices) net of 'short' positions (investments held via derivatives that profit from a fall in asset prices). 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 investment: The fund may also invest in currencies and hold cash, deposits and warrants.</p> <p>Strategy in brief: The fund is managed with a highly flexible investment approach. The investment manager has the freedom to allocate capital between different types of assets in response to changes in economic conditions and asset prices. The approach combines in-depth research to work out the 'fair' value of assets over the medium to long term, with analysis of the market's short-term reactions to events, to identify investment opportunities. The fund seeks to manage risk by investing globally across multiple asset classes, sectors, currencies and countries. Where the investment manager believes opportunities are limited to a few areas, the portfolio may be very concentrated in certain assets or markets. The investment manager will normally seek to hold at least 60% of the fund in euros.</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. 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. You can find more information about the objective and investment policy of the fund in the Prospectus.</p>
Dividend Fund	Objective change	29 November 2019	<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.

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 High Yield Bond Fund	Objective change	25 May 2017	The Fund aims to maximise total return (the combination of income and growth of capital) while generating a high level of income.
European Select Fund	Objective change and name change from 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	<p>The fund aims to grow capital by investing principally in the shares of UK companies which offer the potential for high growth.</p> <p>Core investment: At least 80% of the fund is invested in the shares of UK companies.</p> <p>Other investments: The fund may also invest in the shares of companies outside the UK. 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 has the freedom to decide which investments to hold in the fund. The fund may at any time be concentrated in a limited number of stocks, typically less than 50. The fund manager has a long-term investment view and stock selection is driven by in-depth analysis of individual companies. The fund manager seeks to invest in companies with sustainable competitive advantages that have the opportunity to reinvest their capital at high rates of return.</p>
M&G (Lux) Emerging Markets Bond Fund	Objective change	22 July 2019	<p>The fund aims to provide a positive total return (combined income and capital growth) that is higher than the hard currency emerging market bond market over any three-year period.</p> <p>Investment policy and strategy</p> <p>Performance measurement: The fund's performance is measured against the average of the Morningstar Global Emerging Markets Bond fund sector, representing the hard currency emerging market bond fund market. The investment manager has the discretion to identify the countries that qualify as emerging markets. Typically, these will be countries that the International Monetary Fund or World Bank defines as emerging or developing economies. Core investment: At least 80% of the fund will be invested in bonds issued by emerging market governments and government-related institutions, denominated in hard currency.</p> <p>These refer to currencies of developed countries, including, but not limited to, the US dollar, euro, yen and sterling. The fund typically invests directly in assets. It may also invest indirectly via derivatives.</p>

Other investments: The fund may also have limited investment in bonds issued by emerging market companies or bonds issued in emerging market currencies. The fund may also invest in cash and deposits, other debt instruments and other funds.

Strategy in brief: The fund is managed with a flexible investment approach which begins with analysis of the global economy. Within this framework, the fund manager's approach involves forming a view on the economic outlook, identifying countries with solid fundamentals and evaluating the quality of individual bonds. This disciplined, multi-pronged approach provides the basis for the fund's asset allocation, country and currency weighting, as well as selection of bonds.

The fund aims to provide an annual income of 4-6%. Provided this can be achieved, the fund also aims to grow capital over any five-year period. There is no guarantee that the fund will meet its investment objective and investors may not recoup the amount they originally invested.

#### Investment policy and strategy

Core investment: At least 80% of the fund will be invested in emerging market assets, including company shares, bonds and real estate investment trusts. The fund may invest across different countries, sectors and company sizes.

The fund invests in companies domiciled or conducting the majority of their business in emerging market countries. At least 25% of the fund will be invested in shares of such companies and at least 25% in their bonds at all times.

The fund manager has the discretion to identify the countries that qualify as emerging markets. Typically, these will be countries that the International Monetary Fund or World Bank defines as emerging or developing economies.

The fund typically invests directly. It may also invest indirectly through derivatives. In addition, derivatives are used to meet the fund's investment objective and to reduce risk and costs.

Strategy in brief: The fund will employ a bottom-up approach to find the best investments across the capital structure to deliver on the fund's stated income target while striving to generate long-term capital growth.

Corporate bonds typically generate and have historically generated a higher level of income yield than company shares. Consequently, income is not the fund manager's only consideration when selecting shares. Instead, the fund will hold shares for their investment characteristics and their expected total return profile rather than purely their dividend yield. The fund's allocation between bonds and shares is an output of the investment process and portfolio construction and, as such, will be the result of the fund manager investing in the best ideas, individually and relatively, across the capital spectrum.

Other investments: The fund may also invest in cash and deposits, other debt instruments and other funds.

The fund aims to provide a combination of capital growth and income to deliver a return of 4-8% above the 3-month LIBOR, over any five-year period. LIBOR is the rate at which banks borrow money from each other.

#### Investment policy and strategy

Core investment: Typically, the fund will use derivatives to invest in a range of assets, including shares in companies, bonds, currencies, cash or assets that can be turned quickly into cash. The fund may also invest directly. The fund is fully flexible and has no limits or ranges in any particular asset class. The fund may also invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

Other investment: The fund may also invest in other funds, including real estate investment trusts, asset-backed securities, convertibles and warrants. Use of derivatives: The fund can use derivatives to take short positions and to gain exposure to investments exceeding the fund's value, thus increasing potential returns (or losses) in both rising and falling markets.

For more information on the types of derivatives used, please refer to the Prospectus.

Strategy in brief: The fund has a highly 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 investment 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.

Performance comparator: The fund's performance will be referenced against the 3-month LIBOR.

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.

M&G (Lux)  
Emerging  
Markets  
Income  
Opportunities  
Fund

Objective  
change

22 July 2019

M&G (Lux)  
Episode  
Macro Fund

Objective  
change

22 July 2019

Global  
Emerging  
Markets  
Fund

Objective  
change

29 November  
2019

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.

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The fund aims to provide a combination of capital growth and income to deliver a return that is higher than that of the global bond market over any five year period.

Investment policy and strategy

Core investment: At least 80% of the fund is invested in bonds, including investment grade bonds, high yield bonds, unrated bonds and asset-backed securities. These bonds may be issued by governments and their agencies, public authorities, quasi-sovereigns, supranational bodies and companies. Issuers of these bonds may be located in any country, including emerging markets\*, and denominated in any currency.

Other investments: The fund can also invest in any currency, and cash or assets that can be turned quickly into cash. Use of derivatives: Derivatives may be used to invest indirectly in bonds. Derivatives may also be used to manage risks and reduce costs, as well as to offset the impact of changes in currency exchange rates on the fund's investments.

M&G (Lux)  
Global Macro  
Fund

Objective  
change

22 July 2019

For more information on the types of bonds held and derivatives used, please refer to the Prospectus.

\* 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.

Strategy in brief: The fund is a flexible global bond fund. The investment 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 investment 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 investment manager is assisted in the selection of individual bonds by the deputy manager and an in-house team of analysts.

Performance comparator: The fund is actively managed. The Bloomberg Barclays Global Aggregate Index is a point of reference against which the performance of the fund may be measured.

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The fund aims to deliver combined income and capital growth of at least the cash rate plus 4% a year over any three-year period. That is before any charges are taken and in any market conditions. The cash rate is based on the three-month EURIBOR rate at which banks borrow money from each other. The fund aims to achieve this while seeking to minimise the degree to which the value of the fund fluctuates over time, and also seeking to limit monthly losses. Managing the fund in this way reduces its ability to achieve returns significantly above three-month EURIBOR plus 4%. There is no guarantee that the fund will achieve a positive return over any period. Investors may not get back the original amount they invested.

Investment policy

M&G (Lux)  
Global  
Target  
Return Fund

Objective  
change

22 July 2019

The fund has a highly flexible investment approach with the freedom to hold different types of assets issued anywhere in the world. The manager can allocate capital between asset classes in response to changing economic conditions and asset prices moving below their 'fair' value where investors react emotionally to events. The blend of assets held in the fund is regularly adjusted depending on where the manager sees the most value, and to manage risks in order to limit losses. The manager looks to manage risk by combining diversified and relatively uncorrelated assets (which are affected by market conditions in different ways) and by employing derivatives strategies to help protect or profit from falling markets. Where the fund manager believes it appropriate, the fund may hold a high level of cash. The fund will primarily invest in bonds (loans to governments or companies paying a rate of interest), company shares, currencies, cash and near cash (short-term and easily tradeable bonds). The fund will mostly gain exposure to these assets by investing through derivatives, and by investing directly. It may also invest through other funds. The fund will typically take positions at index, sector or thematic level but it may also take positions in individual shares or bonds. Derivatives are financial contracts with a value derived from one or more underlying assets. The fund may also use derivatives

to reduce risk, to benefit from the fall in price of specific assets, and to gain exposure to investments exceeding the value of the fund in order to increase potential returns. The fund may also invest in deposits and warrants (allowing the fund manager to buy stocks for a fixed price until a certain date) which may be from anywhere in the world and denominated in any currency. Derivatives the fund may invest in include: • Spot and forward contracts (bespoke agreements to buy or sell assets at a specified price at a future date).

Exchange-traded futures (standard agreements to buy or sell currencies, shares, bonds or interest rates at a future date at a predetermined price)

Swaps (agreements which involve exchanging cashflows with another party), including fixed or index-linked interest rate swaps, inflation-linked interest rate swaps, shares, bonds, currency, or other asset swaps

Single company and index credit default swaps. These contracts are meant to exchange the credit risk between parties. For example, they can be used to protect the fund against potential defaults of companies, group of companies or governments

Options on shares, bonds, currencies or indexes (options offer the right or the obligation to buy or sell an asset at an agreed price and time). Bonds the fund may invest in include:

- Bonds classified as 'investment grade' by one of the recognised ratings agencies (that is, rated 'BBB-' or above by Fitch or Standard & Poor's, or 'Baa3' or above by Moody's)
- Bonds issued or guaranteed by companies, governments, local authorities, government agencies or certain public international bodies
- Convertible bonds (bonds issued by companies that give the bondholder the option to trade in the bond for shares in the company)
- Up to 60% in 'sub-investment grade' bonds (that is, rated lower than 'BBB-' by Fitch or Standard & Poor's, or lower than 'Baa3' by Moody's) which will not be rated below 'CCC'.
- Bonds from issuers located in emerging markets
- Up to 20% in contingent convertible bonds (bonds issued by companies which convert into shares in the company when certain conditions are met)
- Up to 10% in asset-backed securities (tradeable market instruments whose income and therefore value derives from a specified group of underlying assets). The fund may also enter into total return swaps (agreements which involve exchanging flows of income and capital gains from an underlying asset with another party). The fund's exposure through total return swaps will generally not exceed 25% of the fund's value. The maximum which can be subject to total return swaps is 50% of the fund's value.

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The fund aims to provide a combination of capital growth and income while considering environmental, social and governance (ESG) factors, and seeks to achieve a higher ESG rating than the global high yield market.

Investment policy and strategy

Core investment: At least 80% of the fund is invested in high yield bonds issued by companies located in any country, including emerging markets\*, which may be denominated in any currency.

Other investment: The fund may also invest in bonds issued by governments, investment grade corporate bonds, asset-backed securities, cash and assets that can be turned quickly into cash.

Use of derivatives: Derivatives may be used to invest indirectly in bonds. Derivatives may also be used to manage risks and reduce costs, as well as to offset the impact of currency exposures arising from the fund's non-US dollar investments.

For more information on the types of bonds held and derivatives used, please refer to the Prospectus, which can be found by visiting [www.mandg.lu/literature](http://www.mandg.lu/literature)

\* 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.

Strategy in brief: The fund is a flexible global high yield bond fund. The investment manager selects investments based on in-depth analysis of individual bond issues, combined with an assessment of macroeconomic factors such as economic growth, interest rates and inflation.

The investment manager is assisted in the selection of individual bonds by an in-house team of analysts. Environmental, social and governance (ESG) considerations are fully integrated into the investment process and an ethical screen is applied to exclude companies operating in certain sectors, subject to internal thresholds. Also excluded are companies that are assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment and anti-corruption.

Performance comparator: The fund is actively managed. The BofA Merrill Lynch Global High Yield Index (USD Hedged) is a point of reference against which the performance of the fund may be measured.

M&G (Lux)  
Global High  
Yield ESG  
Bond Fund

Objective  
change

22 July 2019

Global Convertibles Fund	Objective change	1 March 2019	<p>The fund aims to provide income and capital growth over five years or more by investing in convertibles from around the world.</p> <p>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.</p> <p>Other investments: Generally, less than 10% is held as cash or assets that can be turned into cash quickly.</p> <p>Use of derivatives: Derivatives may be used to gain exposure to the fund's core investments and to reduce risks and costs.</p> <p>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.</p> <p>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.</p> <p>* 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.</p> <p>Glossary terms</p> <p>Bonds: Loans to governments and companies that pay interest.</p> <p>Convertibles: Bonds issued by companies that usually pay a set rate of interest and which can be exchanged for predetermined amounts of company shares.</p> <p>Derivatives: Financial contracts whose value is derived from other assets.</p>
Global Convertibles Fund	Objective change	1 March 2019	<p>The fund aims to provide income and capital growth over five years or more by investing in convertibles from around the world.</p> <p>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.</p> <p>Other investments: Generally, less than 10% is held as cash or assets that can be turned into cash quickly.</p> <p>Use of derivatives: Derivatives may be used to gain exposure to the fund's core investments and to reduce risks and costs.</p> <p>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.</p> <p>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.</p> <p>* 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.</p> <p>Glossary terms</p> <p>Bonds: Loans to governments and companies that pay interest.</p> <p>Convertibles: Bonds issued by companies that usually pay a set rate of interest and which can be exchanged for predetermined amounts of company shares.</p> <p>Derivatives: Financial contracts whose value is derived from other assets.</p>
Global 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 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).</p>
Global Government Bond Fund (formerly International Sovereign Bond Fund)	Objective change	1 September 2008	<p>The Fund aims to maximise total return through investment in a portfolio of high grade fixed interest (including floating rate) securities denominated in non-sterling currencies. The portfolio will primarily consist of sovereign debt securities denominated in the currencies of the major industrialised nations, with the exception of the UK. While the investment manager has power to hedge the currency risk for UK investors, the Fund will normally be managed so as to give exposure to non-sterling currencies. More than 35% of the value of the property of the Fund may be invested in Government and other public securities issued or guaranteed by any of:</p> <ul style="list-style-type: none"> <li>- the Government of the United Kingdom or of a Member State other than the United Kingdom;</li> <li>- the Government of Australia, Canada, Japan, New Zealand, Switzerland, USA;</li> <li>- the African Development Bank, Asian Development Bank, Eurofima, European Economic Community, European Bank for Reconstruction and Development, European Coal and Steel</li> </ul>

Global Government Bond Fund (formerly International Sovereign Bond Fund)	Objective change and name change from International Sovereign Bond Fund	4 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.
			<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 high quality bonds issued or guaranteed by governments from anywhere in the world.</p> <p>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.</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 factors such as economic growth, interest rates and inflation.</p> <p>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.</p> <p>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.</p> <p>Benchmark: IA Global Bonds 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>
Global Government Bond Fund	Objective change	23 March 2020	
Global High Yield Bond Fund (formerly High Yield Corporate Bond Fund)	Objective change Note - there was a change of fund name on 8 August 2014. No change to the objective on this date.	1 September 2008	The Fund invests predominantly in higher yielding fixed and variable rate securities, including corporate bonds and debentures. The Fund is designed to maximise total return while generating a high level of income. In addition to sterling denominated securities, the portfolio may include gilts and securities denominated in other European currencies, US dollars or yen, should the investment managers deem these to be appropriate investments. The sterling based nature of the investor base will be considered at all times. The investment manager has the power to use futures traded or dealt on eligible derivatives markets (currently being The London International Financial Futures and Options Exchange) for the purpose of hedging the capital value of the Fund against the risks of adverse movements in long term interest rates. Any currency exposures within the Fund may be managed by forward currency hedges into sterling.
Global High Yield Bond Fund (formerly High Yield Corporate 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.
			<p><b>OBJECTIVE AND INVESTMENT POLICY</b></p> <p>The fund aims to provide a combination of capital growth and income over five years or more.</p> <p>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.</p> <p>Other investments: The fund may invest in cash or assets that can be turned into cash quickly.</p> <p>Derivatives: The fund invests via derivatives and may 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 factors such as economic growth, interest rates and inflation.</p> <p>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.</p> <p>Benchmark: IA Global Bonds 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.</p>
Global Macro Bond Fund	Objective change	23 March 2020	



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 Recovery Fund	Objective change	1 March 2019	<p>The fund aims to grow capital over five years or more. Income is not a consideration.</p> <p>Core investment: At least 80% of the fund is invested in the shares of companies from around the world.</p> <p>Other investments: Generally, less than 10% is held as cash or assets that can be turned into cash quickly.</p> <p>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.</p> <p>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.</p>
Global Select Fund	Objective and name changed from Global 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. Income considerations are ignored.</p>
Global Select Fund	Objective change	17 November 2017	<p>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.</p>
Global Select Fund	Objective change	29 November 2019	<p>The fund aims to provide a combination of capital growth and income.</p> <p>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.</p> <p>Other investments: Normally, the fund will be fully invested. However, it may also hold cash or assets that can be turned quickly into cash.</p> <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>
Global Strategic Value Fund	Objective and name change from Global Recovery Fund	6 December 2019	<p>Objective</p> <p>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.</p> <p>Investment policy and strategy</p> <p>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> <p>Other investments: The fund may also invest in other funds (including funds managed by M&amp;G), cash or assets that can be turned into cash quickly.</p>

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.

The fund aims to provide a combination of capital growth and income to deliver a return that is higher than that of the global equities market over any five-year period.

Core investment: At least 80% of the fund is invested in shares issued by companies across any sector and of any size that are domiciled in any country, including emerging markets. The investment manager seeks to invest in companies that are out of favour with the market or whose future prospects are not fully recognised by the market at the time of investment.

Other investment: The fund may invest in other funds, cash and assets that can be turned quickly into cash.

Use of derivatives: Derivatives may also be used to manage risks, reduce costs and to manage the impact of changes in currency exchange rates on the fund's investments.

Strategy in brief: The fund's focus is on companies which, at the time of investment, the investment 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. The investment manager's investment approach focuses on cashflows and management's strategy for recovery within a company.

Performance comparator: The fund is actively managed. The MSCI ACWI Index is a point of reference against which the performance of the fund may be measured.

The fund aims to grow capital over five years or more.

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.

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. 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.

The fund has two aims:

- to provide growing income over any three-year period by investing in a mix of assets from anywhere in the world.
- to provide capital growth of 2-4% on average per year over any three-year period.

Investment policy and strategy

Core investment: The fund will typically invest in income-generating assets within the following allocation ranges:

- 40-80% in bonds
- 10-50% in company shares
- 0-20% in other assets (including convertibles)

The fund typically invests directly. It may also invest indirectly via derivatives or through other funds.

Other investment: The fund may also invest in currencies and hold cash, deposits and warrants. In addition, derivatives may be used to reduce risk and costs and to manage the impact of changes in currency exchange rates on the fund's investments.

Strategy in brief: The fund is managed with a highly flexible investment approach. The investment manager has the freedom to allocate capital between different types of assets in response to changes in economic conditions and asset prices.

The approach combines in-depth research to work out the 'fair' value of assets over the medium to long term, with analysis of the market's short-term reactions to events, to identify investment opportunities. The fund seeks to manage risk by investing globally across multiple asset classes, sectors, currencies and countries. Where the investment manager believes opportunities are limited to a few areas, the portfolio may be very concentrated in certain assets or markets. The investment manager will normally seek to hold at least 70% of the fund in euros.

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.

M&G (Lux)  
Global  
Strategic  
Value Fund

Objective  
and name  
change from  
M&G (Lux)  
Global  
Recovery  
Fund

12 February  
2020

Global  
Themes  
Fund

Objective  
and name  
change from  
M&G Global  
Basics Fund

17 November  
2017

M&G (Lux)  
Income  
Allocation  
Fund

Objective  
change

22 July 2019

Japan Fund

Objective  
change

1 March 2019

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.  
 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.  
 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.

The fund aims to grow capital over five years or more by investing wholly or predominantly in the shares of smaller Japanese companies.

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.

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).

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.

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.

The fund aims to provide a combination of capital growth and income to deliver a return that is higher than that of the Japanese smaller companies stockmarket over any five-year period.

Investment policy and strategy

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. The fund usually holds shares in fewer than 50 companies. Smaller companies are defined as those in the bottom third of total market capitalisation of all publicly listed companies in Japan.

Other investment: The fund also holds cash or assets that can be turned quickly into cash.

Strategy in brief: The investment manager selects stocks from across a wide range of industries.

The focus is on stocks where the share price is not fully reflecting the level of earnings that the company can sustain over the medium to long term. The investment manager believes this can happen because human biases can temporarily prevent investors from making objective assessments of the prospects for company earnings. The investment manager applies disciplined and rigorous fundamental analysis to ensure a high level of conviction around the valuation for each of the companies held in the fund.

Performance comparator: The fund is actively managed. The Russell Nomura Mid-Small Index is a point of reference against which the performance of the fund may be measured.

Objective: The fund aims to provide a competitive global high yield bond market exposure whilst limiting interest rate risk. Fund performance will be measured against a global high yield composite index\* over any five-year period. The fund is actively managed and the index is a point of reference against which the performance of the fund may be measured. Investment policy and strategy  
 \*The composite index consists of 2/3 the Markit CDX® North American High Yield Index and 1/3 the iTraxx Crossover Index.

Core investment: At least 70% of the fund is invested synthetically in floating rate high yield bonds. This exposure is achieved by combining high yield credit default swap (CDS) indices with government floating rate bonds (rated A or above by Standard & Poor's), from anywhere in the world, or cash. A high yield CDS index is a derivative instrument that gives investors indirect exposure to a basket of high yield bonds which are easily traded and have low interest rate risk. Currency exposures within the fund will be typically in US dollars. Derivatives may be used to offset the impact of currency exposures arising from the fund's non-USD investments.

Other investment: The fund may also invest in other assets, including government bonds, currencies, cash or assets that can be turned quickly into cash, other debt securities, warrants and other funds.

Use of derivatives: Derivatives are used for investment purposes and to allow the fund to gain exposure to investments exceeding the fund's value, thus increasing potential returns (or losses).

Derivatives may also be used to manage risks and reduce costs.

Strategy in brief: The fund is globally diversified and seeks to provide exposure to a broad range of high yield bond issuers across different sectors. The investment manager has the flexibility to adjust the fund's credit exposure and regional allocation depending on current market valuations and the macroeconomic environment, including the likely path of economic growth, inflation and interest rates.

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.

Japan  
Smaller  
Companies  
Fund

Objective  
change

24 April 2019

M&G (Lux)  
Japan  
Smaller  
Companies  
Fund

Objective  
change

22 July 2019

M&G (Lux)  
Floating Rate  
High Yield  
Solution

Objective  
clarification

12 June 2019

North  
American  
Dividend  
Fund

Objective  
and fund  
name

28 April 2015

The fund aims to increase income distributions over five years or more and grow capital.

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.

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

North  
American  
Dividend  
Fund

Objective  
change

29 November  
2019

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.

Benchmark: S&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.

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

North  
American  
Value Fund

Objective  
change

1 March 2019

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.

Core investment: At least 80% of the fund is invested in the shares of companies based in North America.

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.

Performance measurement: The fund is actively managed. The S&P 500 Index is a point of reference against which the performance of the fund may be measured.

The fund aims to provide a combination of capital growth and income to deliver a return based on exposure to optimal income streams in investment markets.

Investment policy and strategy

Core investment: The fund is a flexible fund where at least 50% will be invested in bonds. The fund invests in bonds issued by governments or companies in developed markets or emerging markets\*. The investment manager has the freedom to invest across a broad range of bonds (such as government bonds, investment grade corporate bonds, high yield corporate bonds, unrated bonds and asset-backed securities), in any currency, wherever the greatest opportunities can be found.

Other investment: The fund may invest up to 20% in company shares when the investment manager believes that a company's shares offer a better return than its bonds. The fund may also hold cash and assets that can be turned quickly into cash.

Use of derivatives: The fund invests directly and indirectly through derivatives. Derivatives may also be used to manage risks and reduce costs, as well as to offset the impact of currency exposures arising from the fund's non-euro investments. Derivatives may also be used to generate market leverage (in other words, gain exposure to investment exceeding the value of the fund).

For more information on the types of bonds held and derivatives used, please refer to the Prospectus. \* 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.

Strategy in brief: The investment manager selects investments based on an assessment of a combination of macroeconomic, asset, sector and stock-level factors.

Spreading investments across issuers and industries 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 comparator: The fund is actively managed. A composite index comprising 1/3 Bloomberg Barclays Global Aggregate Corporate Index EUR Hedged, 1/3 Bloomberg Barclays Global High Yield Index EUR Hedged and 1/3 Bloomberg Barclays Global Treasury Index EUR Hedged is a point of reference against which the performance of the fund may be measured. These indices represent the global investment grade corporate, global high yield corporate and global government bond markets, respectively.

Optimal  
Income Fund

Objective  
Fund

23 March  
2020

Objective

The fund aims to provide a combination of capital growth and income based on exposure to optimal income streams in investment markets.

Investment policy and strategy

Core investment: The fund typically invests directly in a mix of assets within the following investment limits:

- at least 50% in fixed income securities (including bonds and asset-backed securities);
- up to 20% in company shares.

The fund invests in bonds issued by governments, government-related institutions and companies from anywhere in the world, including emerging markets. These bonds can be denominated in any currency. The fund may invest in bonds of any credit quality, including up to 100% in lower quality bonds. The fund may also invest in Chinese bonds denominated in renminbi.

A minimum of 80% of the fund is typically invested in assets denominated in euro or in other currencies hedged back to euro.

Other investments: The fund may invest in contingent convertible debt securities, 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 is a flexible global bond fund. The investment manager selects investments based on an assessment of macroeconomic, asset, sector and stock-level factors. Spreading investments across issuers and industries is an essential element of the fund's strategy and the investment manager is assisted in the selection of individual bonds by an in-house team of analysts. In seeking an optimal income stream from investments, the investment manager may invest in a company's shares if they present a more attractive investment opportunity relative to its bonds.

Benchmark: A composite index comprising:

- 1/3 Bloomberg Barclays Global Aggregate Corporate Index EUR Hedged
- 1/3 Bloomberg Barclays Global High Yield Index EUR Hedged
- 1/3 Bloomberg Barclays Global Treasury Index EUR Hedged

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 is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

The fund is actively managed. The investment 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.

You can find more information about the objective and investment policy of the fund in the Prospectus.

Pan European 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 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).
Pan European Select Fund	Objective and fund name change from Pan European Fund	6 November 2015	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).
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.
Pan European Select Fund	Objective change	29 November 2019	<p>The fund aims to provide a combination of capital growth and income.</p> <p>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.</p> <p>Other investments: Normally, the fund will be fully invested. However, it may also hold cash or assets that can be turned quickly into cash.</p> <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 Europe 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>

Pan European Select Smaller Companies Fund	Objective and fund name change from European Smaller Companies Fund	25 May 2018	<p>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.</p> <p>Other investments: The fund also invests in medium and larger companies to enhance its liquidity (its ability to raise cash quickly).</p> <p>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.</p>
Recovery Fund	Objective change	1 March 2019	<p>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.</p> <p>Core investment: At least 80% of the fund is invested in the shares of companies. Currently these are predominantly UK-listed companies.</p> <p>Other investments: Generally, less than 10% is held as cash or assets that can be turned into cash quickly.</p> <p>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.</p>
Short Dated Corporate Bond 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>
Short Dated Corporate Bond Fund	Objective change	23 March 2020	<p>Objective The fund aims to provide a combination of capital growth and income.</p> <p>Investment policy and strategy 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.</p> <p>The fund typically invests in bonds which have short repayment dates and, as a result, it has a low portfolio duration.</p> <p>The fund aims to hedge any non-sterling assets back to sterling.</p> <p>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.</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 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.</p> <p>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.</p> <p>Benchmark: Markit iBoxx EUR Corporates 1-3 year Index (GBP Hedged)</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 is used solely to measure the fund's performance and 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. The fund's holdings may deviate significantly from the benchmark's constituents.</p> <p>For unhedged and currency 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>
M&G (Lux) Sustainable	Objective change	22 July 2019	<p>The fund aims to provide combined capital growth and income of 4-8% per year over any five-year period, while considering environmental, social and governance (ESG) factors.</p>

Investment policy and strategy

Core investment: The fund invests globally (including emerging markets), typically as follows:

- 20-80% in bonds
- 20-60% in equities
- 0-20% in other assets

Assets are selected that meet the investment manager's assessment of ESG factors and impact criteria. 10-30% of the fund is invested in companies that have a positive impact on society by addressing the world's social and environmental challenges, based on M&G's impact assessment methodology.

Companies deemed to be in breach of the United Nations Global Compact principles and/or involved in industries such as the production of tobacco or controversial weapons are excluded from the investment universe.

The fund typically invests directly.  
It may also invest via derivatives or other funds.

At least 70% of the fund is normally invested in assets valued in euro or in currencies hedged into euro.

Derivatives: Derivatives are used for investment purposes, to reduce risk and costs, and to manage the impact of currency movements.

For more information on the types of bonds held and derivatives used, please refer to the Prospectus.

Strategy in brief: The approach to sustainable investment is through flexible asset allocation, implemented by investing in securities of companies or governments that uphold high standards of ESG behaviour. The approach combines research to work out the 'fair' value of assets over the long term with analysis of the economic fundamentals and market's short-term reactions to events, to identify investment opportunities.

UK Select Fund	Objective and fund name change from UK Growth Fund	6 November 2015	The Fund invests principally in the equities of UK companies with high growth potential with the sole objective of capital growth. Income considerations are ignored.
UK Select Fund	Objective change	1 March 2019	<p>The fund aims to grow capital by investing principally in the shares of UK companies which offer the potential for high growth.</p> <p>Core investment: At least 80% of the fund is invested in the shares of UK companies.</p> <p>Other investments: The fund may also invest in the shares of companies outside the UK. 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 has the freedom to decide which investments to hold in the fund. The fund may at any time be concentrated in a limited number of stocks, typically less than 50. The fund manager has a long-term investment view and stock selection is driven by in-depth analysis of individual companies. The fund manager seeks to invest in companies with sustainable competitive advantages that have the opportunity to reinvest their capital at high rates of return.</p>