

# Important Information for Investors (including M&G Terms & Conditions)

M&G funds, The M&G Savings Plan,  
The M&G ISA and The M&G Junior ISA

This document is for all investors. It is designed to provide, in a clear and concise way, the important information that you will need to make your investment decision about the M&G products and M&G funds. It should be read in conjunction with an up-to-date Key Investor Information Document (KIID) for your chosen share class for each fund in which you want to invest.

You should read both documents carefully so that you understand and are comfortable with what you are buying, and then keep them safe for future reference.

You should always ensure that you have up-to-date copies of both documents before you invest.

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If you are unsure of anything contained in either the KIID(s) or this document, please contact us via any of the methods shown on the back cover.

M&G does not offer financial advice. If you wish to obtain financial advice as to whether an investment is suitable for your needs, you should consult your financial adviser.

# M&G funds

M&G has a wide range of funds, each of which has its own objective and investment policy, covering asset classes such as shares of companies, fixed income securities (investments which provide a certain level of income or interest) and commercial property. You can also hold many of these funds under a tax-efficient wrapper known as an Individual Savings Account (ISA). All M&G funds are investment products. They are different to traditional 'savings' products such as bank and building society accounts and cash ISAs. It is possible, at any point in time, for the value of an investment in any of the M&G funds described in this document to go down and for the value to fall below the amount you originally invested. An investment should only be made where you understand all the associated risks and are comfortable with the risk of your investment value falling.

## Key Investor Information Document (KIID)

All funds which are classified as UCITS (this is a term for funds which conform to a set of European Union standards) are required to have a KIID. The M&G fund range consists mainly of UCITS funds but also includes six non-UCITS funds. To provide fund information for you in a consistent format, we have produced 'Non-UCITS retail scheme Key Investor Information' documents for the following non-UCITS funds:

- M&G Episode Allocation Fund
- M&G Episode Growth Fund
- M&G Episode Income Fund
- M&G Global Target Return Fund
- M&G Managed Growth Fund
- M&G Property Portfolio

For the purposes of this document, the term KIID also includes Non-UCITS retail scheme Key Investor Information Documents.

Each M&G fund has a KIID per share class, eg Sterling Class A Shares.

All the information contained in the KIID, and the format and terminology used, is required by law to help you understand the nature of an investment and the risks associated with it.

Before you invest, you should read the relevant KIID(s) to ensure you are able to make an informed decision. We will ask you to declare that you have received an up-to-date KIID and Important Information for Investors document.

## OEICs

Open-Ended Investment Companies (OEICs) are UK authorised collective investment schemes. They are investments where your money is pooled with other investors' money and is put into different asset types. An OEIC is a modern version of a unit trust, and can be a single company or a company with a number of sub-funds (known as an umbrella scheme). M&G have single company OEICs and umbrella OEICs.

The M&G umbrella OEICs are referred to as 'M&G Investment Funds (X)' or 'IF(X)' for short. For example 'M&G Investment Funds (1)' is referred to as 'IF(1)'. The sub-funds for each umbrella OEIC are shown in Table A overleaf. M&G single company OEICs are simply referred to by the fund name eg M&G Strategic Corporate Bond Fund.

Within the umbrella OEICs, the assets of each fund are treated as separate to those of every other fund and are invested in line with that fund's own objective and investment policy.

Table A overleaf shows all the fund share classes available, together with fund/product availability. The funds are colour-coded according to the asset classes in which they invest. Under the Availability section in Table A, 'PI' represents the availability to private investors, meaning those investing directly with M&G and 'A' represents the availability to investors dealing via a financial advisor. The tick (✓) represents the availability to all investors.

<b>Key:</b>		
 Equity	 Fixed Income	 Property
 Multi Asset	 Convertibles	 Tracker

Table A: Fund availability and fund types*	Share class	Availability				Fund type and core geographic area	Income frequency and payment dates (on or before) (A = annual, I = interim (if applicable))
		ISA	Junior ISA	Savings Plan	Direct**		
M&G Absolute Return Bond Fund IF(10)	A	✓	✓	✓	✓	Fixed Income – Global	Semi-annually A: 31 May, I: 30 November
	I				✓		
M&G Asian Fund IF(1)	A	✓	✓	✓	✓	Equity – Asia	Annually A: 31 October
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G Corporate Bond Fund IF(3)	A	✓	PI		✓	Fixed Income – UK	Quarterly A: 31 August, I: 30 November, 28 February, 31 May
	X	A	A		✓		
	R	A	A		A		
	I				✓		
M&G Dividend Fund IF(3)	A	✓	✓	✓	✓	Equity – UK	Semi-annually A: 31 August, I: 28 February
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G Emerging Markets Bond Fund IF(3)	A	✓	PI		✓	Fixed Income – Global	Semi-annually A: 31 August, I: 28 February
	X	A	A		✓		
	R	A	A		A		
	I				✓		
	I-H				✓		
M&G Episode Allocation Fund IF(4)	A	✓	✓	✓	✓	Multi Asset – Global	Quarterly A: 31 December, I: 31 March, 30 June, 30 September
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G Episode Growth Fund IF(4)	A	✓	PI	✓	✓	Multi Asset – Global	Quarterly A: 31 December, I: 31 March, 30 June, 30 September
	X	A	A		✓		
	R	A	A		A		
	I				✓		
M&G Episode Income Fund IF(11)	A	✓	✓	✓	✓	Multi Asset – Global	Monthly A: 31 May, I: last day of each month
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G Episode Macro Fund IF(5)	S-H	✓	✓		✓	Multi Asset – Global	Annually A: 28 February
M&G European Corporate Bond Fund IF(3)	A	✓	PI		✓	Fixed Income – Europe	Quarterly A: 31 August, I: 30 November, 28 February, 31 May
	X	A	A		✓		
	R	A	A		A		
	I				✓		
M&G European High Yield Bond Fund IF(3)	A	✓	PI		✓	Fixed Income – Europe	Quarterly A: 31 August, I: 30 November, 28 February, 31 May
	X	A	A		✓		
	R	A	A		A		
	I				✓		
M&G European Index Tracker Fund IF(1)	A	✓	✓	✓	✓	Tracker – Europe	Annually A: 31 October
M&G European Select Fund IF(1)	A	✓	✓	✓	✓	Equity – Europe	Annually A: 31 October
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G European Smaller Companies Fund IF(1)	A	✓	✓	✓	✓	Equity – Europe	Annually A: 31 October
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G European Strategic Value Fund IF(7)	A	✓	✓	✓	✓	Equity – Europe	Annually A: 31 March
	R	A	A		A		
	I				✓		
M&G Fund of Investment Trust Shares IF(3)	A	✓	✓	✓	✓	Equity – Global	Semi-annually A: 31 August, I: 28 February
	X	A			✓		
M&G Gilt & Fixed Interest Income Fund IF(2)	A	✓	✓	✓	✓	Fixed Income – UK	Quarterly A: 31 July, I: 31 October, 31 January, 30 April
	I				✓		
M&G Global Convertibles Fund IF(7)	A	✓	✓	✓	✓	Convertibles – Global	Annually A: 31 March
	A-H				✓		
	R	A	A		A		
	R-H	A	A		A		
	I				✓		
M&G Global Corporate Bond Fund IF(5)	A-H	✓	✓	✓	✓	Fixed Income – Global	Quarterly A: 28 February, I: 31 May, 31 August, 30 November
	R-H	A	A		A		
	I-H				✓		

PI = Only available if investing directly  
A = Only available if investing via a financial adviser  
✓ = All investors

\*Please note Sterling Class R and R-H Shares are only available for investors investing via a financial adviser.

\*\*Investing directly in an OEIC.

M&G will not be accepting new investments into Sterling Class X Shares in the The M&G ISA from investors who are not dealing via a financial adviser.

Fund name	Share class	Availability				Fund type and core geographic area	Income frequency and payment dates (on or before) (A = annual, I = interim (if applicable))
		ISA	Junior ISA	Savings Plan	Direct**		
M&G Global Dividend Fund	A	✓	✓	✓	✓	Equity – Global	Quarterly A: 31 May, I: 31 August, 30 November, 28 February
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G Global Emerging Markets Fund IF(7)	A	✓	✓	✓	✓	Equity – Global	Annually A: 31 March
	R	A	A		A		
	I				✓		
M&G Global Floating Rate High Yield Fund IF(7)	A-H	✓	✓	✓	✓	Fixed Income – Global	Quarterly A: 31 March, I: 30 June, 30 September, 31 December
	R-H	A	A		A		
	I-H				✓		
M&G Global Government Bond Fund IF(3)	A	✓	✓	✓	✓	Fixed Income – Global	Semi-annually A: 31 August, I: 28 February
	R	A	A		A		
	I				✓		
M&G Global High Yield Bond Fund IF(2)	A	✓	PI		✓	Fixed Income – UK	Monthly A: 30 June, I: last day of each month
	X	A	A		✓		
	R	A	A		A		
	I				✓		
M&G Global Leaders Fund IF(1)	A	✓	✓	✓	✓	Equity – Global	Semi-annually A: 31 October, I: 30 April
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G Global Listed Infrastructure Fund IF(10)	A	✓	✓	✓	✓	Equity – Global	Quarterly A: 31 May, I: 31 August, 30 November, 28 February
	I				✓		
M&G Global Macro Bond Fund	A	✓	✓		✓	Fixed Income – Global	Quarterly A: 31 December, I: 31 March, 30 June, 30 September
	A-H	✓	✓		✓		
	X	A			✓		
	X-H	A			✓		
	R	A	A		A		
	R-H	A	A		A		
	I				✓		
M&G Global Recovery Fund IF(12)	A	✓	✓	✓	✓	Equity – Global	Semi-annually A: 31 March, I: 30 September
	R	A	A		A		
	I				✓		
M&G Global Select Fund IF(1)	A	✓	✓	✓	✓	Equity – Global	Annually A: 31 October
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G Global Target Return Fund IF(11)	A	✓	✓	✓	✓	Multi Asset – Global	Annually A: 30 June
	I				✓		
M&G Global Themes Fund IF(1)	A	✓	✓	✓	✓	Equity – Global	Annually A: 31 October
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G Index-Linked Bond Fund IF(2)	A	✓	✓	✓	✓	Fixed Income – Global	Semi-annually A: 31 July, I: 31 January
	I				✓		
M&G Index Tracker Fund IF(2)	A	✓	✓	✓	✓	Tracker – UK	Semi-annually A: 31 July, I: 31 January
M&G Japan Fund IF(1)	A	✓	✓	✓	✓	Equity – Japan	Annually A: 31 October
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G Japan Smaller Companies Fund IF(1)	A	✓	✓	✓	✓	Equity – Japan	Annually A: 31 October
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G Managed Growth Fund IF(4)	A	✓	PI	✓	✓	Equity – Global	Semi-annually A: 31 December, I: 30 June
	X	A	A		✓		
	R	A	A		A		
	I				✓		
M&G North American Dividend Fund IF(1)	A	✓	✓	✓	✓	Equity – North America	Quarterly A: 31 October, I: 31 January, 30 April, 31 July
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G North American Value Fund IF(1)	A	✓	✓	✓	✓	Equity – North America	Annually A: 31 October
	X	A			✓		
	R	A	A		A		
	I				✓		

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Table A: Fund availability and fund types*	Share class	Availability				Fund type and core geographic area	Income frequency and payment dates (on or before) (A = annual, I = interim (if applicable))
		ISA	Junior ISA	Savings Plan	Direct**		
M&G Optimal Income Fund	A	✓	✓	✓	✓	Fixed Income – Global	Semi-annually A: 30 November, I: 31 May
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G Pan European Dividend Fund IF(7)	A	✓	✓	✓	✓	Equity – Europe	Semi-annually A: 31 March, I: 30 September
	R	A	A		A		
	I				✓		
M&G Pan European Select Fund IF(1)	A	✓	✓	✓	✓	Equity – Europe	Semi-annually A: 31 October, I: 30 April
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G Property Portfolio	A	✓	✓	✓	✓	Property – UK	Quarterly A: 30 November, I: 28 February, 31 May, 31 August
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G Recovery Fund IF(3)	A	✓	✓	✓	✓	Equity – UK	Semi-annually A: 31 August, I: 28 February
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G Short Dated Corporate Bond Fund IF(2)	A	✓	✓		✓	Fixed Income – UK	Quarterly A: 31 July, I: 31 October, 31 January, 30 April
	I				✓		
M&G Smaller Companies Fund IF(3)	A	✓	✓	✓	✓	Equity – UK	Semi-annually A: 31 August, I: 28 February
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G Strategic Corporate Bond Fund	A	✓	PI		✓	Fixed Income – UK	Quarterly A: 31 October, I: 31 January, 30 April, 31 July
	X	A	A		✓		
	R	A	A		A		
	I				✓		
M&G UK Income Distribution Fund IF(2)	A	✓	✓	✓	✓	Equity – UK	Quarterly A: 31 July, I: 31 October, 31 January, 30 April
	X	A			✓		
	R	A	A		A		
	I				✓		
M&G UK Inflation Linked Corporate Bond Fund IF(10)	A	✓	✓	✓	✓	Fixed Income – UK	Semi-annually A: 31 May, I: 30 November
	R	A	A		A		
	I				✓		
M&G UK Select Fund IF(2)	A	✓	✓	✓	✓	Equity – UK	Semi-annually A: 31 July, I: 31 January
	X	A			✓		
	R	A	A		A		
	I				✓		

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✓ = All investors

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M&G will not be accepting new investments into Sterling Class X Shares in The M&G ISA from investors who are not dealing via a financial adviser.

## The M&G Savings Plan

The M&G Savings Plan offers you a way of investing on a regular basis (monthly, quarterly, semi-annually or annually) outside of the ISA (you might have already used your annual ISA allowance). Fund availability is shown in Table A.

## Individual Savings Account (ISA)

An ISA is a tax-efficient investment vehicle and is like a shopping trolley into which you put financial products such as fixed income securities (investments which provide a certain level of income or interest), company shares and cash. The trolley (the ISA) simply protects the things inside it from income tax and capital gains tax. Anyone aged 18 or over may subscribe to an ISA, provided they are resident and ordinarily resident in the UK for tax purposes. A Junior ISA is an ISA for children under the age of 18. If you invest in an ISA, you do not have to pay tax on any capital gain, income or interest received.

There are two main types of ISA – stocks and shares, and cash.

- A stocks and shares ISA can include investments in OEICs, unit trusts, investment trusts, certain company shares, certain insurance products, gilts (fixed income securities that are issued by the UK Government), and fixed income securities issued by companies.
- A cash ISA can include certain bank or building society accounts, money market funds, certain insurance products, certain guaranteed return products and certain National Savings products.

The M&G ISA and The M&G Junior ISA are stocks and shares ISAs only. We do not offer a Flexible ISA, Innovative Finance ISA or Lifetime ISA. Fund availability is shown in Table A on pages 4-6.

There are two other M&G ISA products in existence which are closed to new subscriptions: Ex Mini M&G Stocks and Shares ISA and Ex PEP M&G Stocks and Shares ISA.

**Please note:** This document contains information that applies to all M&G funds, however in some instances treatment of an ISA holding is slightly different. In these cases, the ISA specific information is shown in a tinted box referencing 'The M&G ISA' or 'The M&G Junior ISA' located below the information applying to general funds.

## Junior ISA

A Junior ISA is an ISA for children. Anyone under 18 who does not have a Child Trust Fund is eligible for a Junior ISA provided that they are resident and ordinarily resident in the UK at the time of the application.

There is no tax payable by a parent who invests money into a Junior ISA even when the income generated by these payments exceeds £100.

You may only hold one stocks and shares Junior ISA and one cash Junior ISA per child at any time.

### Who is the Registered Contact and who is the Account Holder?

An M&G Junior ISA will be opened in the name of the child and managed by an adult. The child is the Account Holder. The adult will be treated as the Registered Contact and will be the person responsible for making investment decisions and the person with whom M&G will communicate. The Registered Contact will need to be a person with parental responsibility for the child. Usually this will be a parent. It is possible to change the Registered Contact.

Where the child is aged 16 years or older (but under 18) the child may open an M&G Junior ISA directly.

M&G will take all instructions from the Registered Contact as an instruction to act on behalf of the child.

The child, from 16 years of age, may opt to take control of The M&G Junior ISA, and to become the Registered Contact.

Anyone can make payments into a Junior ISA on behalf of the child. All payments to a Junior ISA are treated as gifts to the child.

### What happens to the Junior ISA when the child turns 18?

On the child's 18th birthday The M&G Junior ISA will automatically be converted to The M&G ISA. Shares will be allocated in the name of the child in the same fund(s) and share class(es) as they hold in The M&G Junior ISA. The child will have full control of their investment at this point and may choose to continue investing or withdraw from their M&G ISA.

Any Direct Debits into The M&G Junior ISA will cease at this point.

Any investments via The M&G ISA will be subject to the standard charges. Entry and exit charges may not be applied in The M&G Junior ISA.

## Risks

All M&G funds carry a degree of risk. The risk and reward profile shown on the first page of the KIID will provide you with the information you require regarding the risks of the fund. This is displayed using a risk indicator consisting of a set of numbers from one to seven. A score of one indicates a fund with a lower risk of losing your money, but with a lower likelihood of providing a large return on your investment (although a score of one does not mean a fund is risk free). A score of seven indicates a higher risk fund with a higher risk of losing your money, but with the possibility of achieving higher returns. The numbers are calculated monthly and are based on how a fund's price has moved up or down during the previous five years. If the KIID states that the number is based on simulated data, this means that five year data is not yet available for the fund so an appropriate proxy has been used for the unavailable time periods. The risk number is also referred to as the Synthetic Risk and Reward Indicator (SRRI).

Once you have considered your risk appetite, you can refer to the risk and reward profile section of the relevant KIID(s) to help select a fund that most closely matches your needs.

Please note that the M&G Property Portfolio and the M&G Feeder of Property Portfolio do not have a risk indicator number. The M&G Property Portfolio fund invests a substantial amount of its portfolio directly into property. The methodology we are required to use to calculate the risk number cannot be applied to a fund of this type.

### The M&G ISA and The M&G Junior ISA

Please note that the current tax regimes applicable to investors in an M&G ISA or M&G Junior ISA are not guaranteed and may change in the future.

# Investing with M&G

Unless otherwise stated, the following information applies to all funds and investments held inside and outside an M&G ISA or Junior ISA.

## How much can I invest?

You can choose to invest in one or more of the funds shown in this document. You should view your investment as a long-term investment (with five years, ten years or even longer in mind).

Table B below shows the investment minimums within the M&G product range. The maximum that can be invested in an ISA is £20,000 in the 2017/2018 tax year (6 April – 5 April). This can be split between a stocks and shares ISA, a cash ISA, an Innovative Finance ISA or a Lifetime ISA\* in any combination. The maximum that can be invested in a Junior ISA is £4,128 in the 2017/2018 tax year. This can be split between a stocks and shares and a cash Junior ISA in any combination. M&G offers the stocks and shares ISA and Junior ISA only.

\*From April 2017, 18-40 year olds will be able to open a Lifetime ISA and pay in up to £4,000 each tax year. They will be able to continue making contributions up to the age of 50. The government will add a 25% bonus to all contributions to a Lifetime ISA within the limits. However, it is important to note that the Lifetime ISA will count towards your annual ISA allowance.

**Table B: Investment minimums (per share class)**

	All Share Classes excluding I and I-H	I and I-H Share Classes
<b>The M&amp;G ISA and The M&amp;G Junior ISA</b>		
Lump sum	£500	N/A
Monthly amount	£10	N/A
Additional lump sum	£100	N/A
Additional monthly amount	£10	N/A
Withdrawal amount	£100	N/A
Holding amount	£500	N/A
<b>The M&amp;G Savings Plan</b>		
Regular amount	£10	N/A
Additional regular amount	£10	N/A
Lump sum	£500	N/A
Additional lump sum	£100	N/A
Withdrawal amount	£100	N/A
Holding amount	£500	N/A
<b>Direct investments</b>		
Lump sum	£500	£500,000
Additional lump sum	£100	£10,000
Withdrawal amount	£100	£10,000
Holding amount	£500	£500,000

## What are the charges?

### Entry and exit charges

Entry and exit charges do not apply to investments in M&G Funds Sterling Class shares.

We offer the following share classes for investment in our funds. Share class availability is detailed in Table A on pages 4-6.

- **Sterling Class A, A-H, I, I-H, and S-H Shares**
- **Sterling Class R\* and R-H Shares\*** Please note commission is not payable on this Share Class. Only available if you are investing via a financial adviser.
- **Sterling Class X and X-H Shares** M&G will not be accepting new investments into Sterling Class X and X-H Shares in The M&G ISA from investors who are not dealing via a financial adviser.
- **Hedged Sterling Share Classes (A-H, I-H, R-H\*, S-H and X-H)** are available for our UK investors for those funds whose base currency is not Sterling. For information about hedged share classes and the base currency of M&G funds, please refer to the relevant KIID and Prospectus, or contact our **Customer Relations** team.

Certain funds have other share classes available for direct investment (outside The M&G ISA, The M&G Junior ISA and The M&G Savings Plan). For more information on these, please see the relevant Prospectus which is available at [www.mandg.co.uk/literature](http://www.mandg.co.uk/literature) or from our **Customer Relations** team.

\*For advised clients only.

## Ongoing charge

The amount of ongoing charge applied to the fund is shown in its KIIDs as a percentage of the whole of the fund. This figure may vary from year to year. It covers all aspects of operating the fund for one year, including fees paid for management and independent oversight functions. It also includes an administration fee of 0.15% of the value of the fund. In the case of the M&G Property Portfolio, it also includes standing independent valuer's fees.

For confirmation of which charges apply to your investment please refer to the relevant KIID.

## Portfolio transaction costs

Funds incur portfolio transaction costs when they buy and sell securities. In the case of shares, portfolio transaction costs include broker commissions and transfer taxes such as stamp duty. In addition, there is a market spread between the buying and selling prices of the underlying investments. Other types of securities, such as bonds, money market instruments and derivatives, have no separately identifiable transaction costs, as these form part of the market spread. Transaction costs for property investment include Stamp Duty Land Tax, agent's commission, legal and other expenses.

Please go to [www.mandg.co.uk/ptc](http://www.mandg.co.uk/ptc) to see the portfolio transaction cost amount for each fund.

## Pricing policy

For most funds we operate a single pricing methodology and reserve the right to adjust the fund's price to protect your investment from the costs of buying or selling investments that result from other investors buying or selling shares in the fund. The amount of any such adjustment is calculated by reference to the estimated costs of dealing in the underlying investments, including any dealing spreads, broker commissions and transfer taxes such as stamp duty. We usually adjust the price whenever the net flow of contributions or withdrawals changes direction, which means that your investment is usually protected from the costs of the resultant transactions.

The Prospectus shows typical dilution adjustments. Please go to [www.mandg.co.uk/literature](http://www.mandg.co.uk/literature) to view the Prospectus. Alternatively hard copies are available on request.

## M&G Property Portfolio

Each day we value the assets of the M&G Property Portfolio on both an 'offer' basis (how much they would cost to buy) and a 'bid' basis (how much the fund would receive if they were sold). The difference between the two, known as the 'spread', is currently around 5.67%. This reflects the costs of buying and selling properties, in particular Stamp Duty Land Tax paid on purchases which can account for up to 5% of the property value. The dealing prices we publish are on either the offer basis or bid basis, depending on whether people are generally buying fund shares (the fund is in 'net inflow') or selling shares (the fund is in 'net outflow'). Should fund flows move from net inflow to net outflow, the dealing prices may 'swing' from an offer basis to a bid basis and fall by the extent of the spread. On the other hand, should flows move from net outflow to net inflow, the dealing prices may rise by the same extent. For large deals (regarded as deals in excess of £50,000) the dealing price you receive may be different from the published price. If you are buying shares, you may receive a price that is higher than the quoted offer price. If you are selling shares, you may receive a price that is lower than the quoted bid price.

## M&G Feeder of Property Portfolio

Investors should note that the dealing prices of the M&G Property Portfolio, in which the M&G Feeder of Property Portfolio is invested, may 'swing' to the extent of the 'spread' reflecting the costs of buying and selling properties, currently around 5.67%. Please see the fund page of the M&G Property Portfolio for details.

For more information about the pricing of M&G Property Portfolio and M&G Feeder of Property Portfolio, please see the relevant Prospectus, both of which are available at [www.mandg.co.uk/literature](http://www.mandg.co.uk/literature) or from our **Customer Relations** team.

### The M&G ISA

For advised clients Sterling Class X Shares are only available for investment by Direct Debit in the M&G Corporate Bond, M&G European Corporate Bond, M&G Emerging Markets, M&G Episode Growth, M&G European High Yield Bond, M&G Global High Yield Bond, M&G Global Macro Bond, M&G Managed Growth and M&G Strategic Corporate Bond Funds.

Please refer to the relevant KIID for the charges applicable to each fund.

## What are my income options?

Most funds offer the choice of two share types: Income or Accumulation.

- **Income shares** entitle the holder to be paid the income attributed to those shares on the payment date.
- **Accumulation shares** do not pay income but automatically reinvest any income which is reflected in the share price.

Please refer to the relevant KIID for the share type availability applicable to each fund. With the exception of M&G Index-Linked Bond Fund, M&G funds distribute income from interest-bearing holdings on an effective yield basis. For more information, please see the relevant Prospectus which is available at [www.mandg.co.uk/literature](http://www.mandg.co.uk/literature) or from our **Customer Relations** team.

If you purchase shares with an ex-distribution price (also known as XD) you will not be entitled to the next distribution of income made by the fund. You will be entitled to future distributions.

### The M&G Savings Plan

Only Accumulation shares are available.

#### The M&G ISA and The M&G Junior ISA

Only Income shares are available except for the M&G Episode Macro Fund, M&G Global Convertibles Fund Sterling Class R-H Shares\* and M&G Global Target Return Fund where only Accumulation shares are available.

#### The M&G ISA

If you currently reinvest your income and want to change this to take an income, please complete a direct credit instruction form available to download from our website, or call our **Customer Relations** team. We pay interest distributions from fixed interest funds gross. If you currently take an income and want to change this to reinvest the income, please contact our **Customer Relations** team.

#### The M&G Junior ISA

Income cannot be taken and will be automatically reinvested.

\*For advised clients only.

## When is the income paid?

For information on the income frequency and payment dates, please see Table A on pages 4-6.

If you reinvest income in additional shares we buy them at the valuation point fourteen days before the payment date.

Please note that after an investment has been made, the first distribution of income includes an element of equalisation, ie the amount of any undistributed income already included in the price of shares at the time of investment. This is treated as a return of capital for tax purposes and does not carry a tax credit or deduction of income tax.

#### The M&G ISA and The M&G Junior ISA

If you reinvest income in additional shares we buy them at the valuation point on the payment date.

## How can I apply for an M&G investment?

### By post

Please complete the relevant application form marked with KIID in the top right-hand corner and return it to our **Customer Relations** team (with a cheque if you are investing a lump sum). Please see the relevant application form for more information. Application forms are available from our website [www.mandg.co.uk/literature](http://www.mandg.co.uk/literature) or by calling our **Customer Relations** team. Your application may be rejected if it is partially completed, or if you do not use a form with the KIID marking. Please note that if you are paying by Direct Debit, your investment will not be opened until we receive your first subscription – which will be the date of your first Direct Debit or lump sum payment, whichever is received first. Please refer to the investment minimums shown on page 8.

**When investing through your financial adviser into the R and/or R-H Share Class(es), you will need to invest by telephone or by post.**

#### Transfers into The M&G ISA and The M&G Junior ISA

Existing ISAs and Junior ISAs held by another ISA provider can be transferred to M&G. When we receive your completed M&G ISA and/or M&G Junior ISA Transfer Application and Transfer Authority form, we will carry out all of the paperwork for you free of charge. However, your existing ISA Manager may make a charge for carrying out the transfer. We can only accept the assets of your ISA in cash form unless these assets are M&G funds. Your existing ISA Manager will therefore need to sell all or part of the assets currently held in the ISA and pay the proceeds to us. We then invest your cash in your choice of M&G funds. You should note that your investment will be out of the market between the sale of the existing ISA/Junior ISA investment and the purchase of your M&G ISA/M&G Junior ISA. The usual charges will apply to the M&G fund(s) you invest in.

### By telephone

#### Direct and The M&G Savings Plan

Please telephone our **Dealing Line** to make a new (direct only) or top-up application by lump sum with payment by debit card (we accept Maestro, Switch, MasterCard Debit, Solo, Visa Debit and Visa Delta). If investing via a financial adviser, when investing by telephone, please ensure your financial adviser is present. Please note that for security purposes the maximum investment limit by debit card is £20,000 per transaction. You will be asked if you have received an up-to-date KIID for the fund(s) you wish to invest in, so please ensure you have done so prior to telephoning. Please note that we cannot accept investments made by third parties via the telephone.

#### The M&G ISA and The M&G Junior ISA

You can telephone our **Investment Helpline** to make a new or top-up application by lump sum with payment by debit card (we accept Maestro, Switch, MasterCard Debit, Solo, Visa Debit and Visa Delta).

### Via the internet

Private investors, those not investing through a financial adviser, can invest via our new online investing service, myM&G. There are no service fees and no entry or exit charges. You can invest lump sums or set up a monthly Direct Debit from only £1.

If you currently invest directly with M&G and prefer to manage your existing investments with us online, please visit [www.mymandg.co.uk/move](http://www.mymandg.co.uk/move). A process known as 're-registration' is used to move your investments across to myM&G. This means your money won't be out of the market at any point and you won't incur any tax charges as a result.

Please note that you cannot split your investments between myM&G and the existing M&G service. If you move one investment to myM&G, we will automatically bring over your other investments as well.

## What confirmation of my investment will I receive?

Once your application has been processed you will receive a formal acknowledgement. We do not issue certificates. If you are investing via a financial adviser, once your application has been processed, both the customer and financial adviser formal acknowledgements will be sent to the financial adviser only.

## What information will I receive about my investment?

You will receive semi-annual statements which are currently prepared as at 5 April and 5 October and sent within 25 business days of these dates.

#### Direct and The M&G Savings Plan

You will also receive a copy of the latest report for each fund in which you have invested when they are published, and Consolidated Tax Vouchers on an annual basis with your 5 April statement.

Details on how you can change the fund(s) in which you have invested, start/change/cancel a Direct Debit Instruction or transfer your investment from another provider can be found in your Welcome Brochure. Alternatively please contact our **Customer Relations** team.

#### The M&G ISA and The M&G Junior ISA

If you have elected to receive copies of reports for each fund in which you have invested, you will be sent copies when they are published.

#### The M&G Junior ISA

We will send all information to the Registered Contact, with one exception. On the child's 16th birthday, we will write to them advising that they have a Junior ISA and that they are now able to take control of this account.

The Registered Contact will receive semi-annual statements as at 5 April and 5 October and sent within 25 business days of these dates.

The Registered Contact will be sent confirmation of any lump sum payments received into The M&G Junior ISA.

## What if I change my mind?

You will only have the right to cancel your investment if you have invested on the personal recommendation of a financial adviser, unless your

customer agreement with that adviser excludes cancellation rights.

If cancellation rights apply to you, after you have invested you will receive a notice telling you of your right to change your mind and how to cancel. You will have 14 days from the day you received the reminder to cancel your investment. If you decide to cancel you will receive your money back. If, however, in the meantime the value of the underlying investment has fallen, you may not get back the full amount you paid in. If you choose to invest regularly, you will receive the first payment back in full.

#### Transfers into The M&G ISA and The M&G Junior ISA

If you exercise your right to cancel your transfer by returning the cancellation reminder, we will endeavour to transfer your ISA back to your previous ISA Manager. Please note that you may not get a full refund of the amount transferred if the purchase price falls before we know that you have exercised your cancellation rights. If we are unable to transfer your ISA back to your previous ISA Manager, we will sell your investment and send the cash proceeds to you. However, once sold, such proceeds will lose their ISA tax advantages and any subsequent subscriptions to an ISA with these proceeds will count towards your annual subscription limit.

## How can I sell my investment?

You can withdraw all, or part, of your investment at any time (subject to minimum limits, which are available from our **Customer Relations** team) by phone or by post, provided we receive your withdrawal instruction before 12 noon (the valuation point) on any business day.

Where you hold more than one share class in the same fund, your request to withdraw may be rejected if you do not specify the share class you wish to sell.

### When will the proceeds be sent?

Proceeds of sales of shares will be released to you on the third business day after the valuation point following receipt of your instructions (or, if applicable, following receipt of any further information we have requested on receipt of your withdrawal instruction). Payment will normally be made by cheque to your home address unless otherwise specified.

We will make payment directly to your bank account by BACS upon request. At the time of your instruction, you must provide your bank account number, sort code and, should you not have a valid Direct Debit mandate in place which has been claimed upon by M&G within the last 12 months, one of the following:

1. an original bank statement dated within the last three months; or
2. a blank cheque that has been marked as void for the account you wish payment to be made to.

If we are unable to confirm these details in time to make payment electronically, a cheque will be sent to your home address.

#### The M&G ISA

Proceeds will be paid no later than five business days following receipt of your instructions (or, if applicable, following receipt of any further information we have requested on receipt of your withdrawal instruction). Payment will normally be made by cheque to your home address unless otherwise specified. Under the current rules for debit card payments, if a withdrawal is requested within 30 days of a purchase by debit card payment, we will sell the shares in accordance with your instructions and hold the sale proceeds relating to the subscription via debit card in a client account until the 30 days have elapsed. Withdrawals have no effect on the subscription limits. Once you have reached the limit for the tax year you cannot make any further subscriptions, regardless of withdrawals.

#### The M&G Junior ISA

Withdrawals are not normally permitted from The M&G Junior ISA unless the child is terminally ill, in which case M&G will only be able to take instructions from HM Revenue & Customs (HMRC) to sell investments held in an M&G Junior ISA. Withdrawals can be made in the event of the death of the child.

## Anti-Money Laundering

M&G may verify your identity electronically when buying or selling shares. For further information please see Terms and Conditions Part One, Term 12.

## How do I make a complaint?

If you wish to make a complaint about any aspect of the service you have received, or to request a copy of the M&G Customer Complaints Charter, please contact our **Customer Relations** team.

If your complaint is not dealt with to your satisfaction, you can write to: **The Financial Ombudsman Service (FOS), Exchange Tower, London E14 9SR.**

## What will happen if M&G becomes insolvent?

We are covered by the **Financial Services Compensation Scheme**. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £50,000. Further information about compensation arrangements is available from: **The Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU.**

## Prospectuses and Fund Reports

Copies of the Prospectuses and the most recent Annual and, if more recent, Interim Fund Reports for all our funds are available from our **Customer Relations** team free of charge on request.

## Terms and Conditions

Your rights as an account holder are defined by the M&G Terms and Conditions on pages 13-19.

# Terms and Conditions

These are our standard Terms and Conditions upon which we intend to rely. For your own benefit and protection you should read these Terms carefully. If you do not understand any point please contact us for further information.

## Part One: General Terms

The Terms described in this Part One apply to any Investment you have with us whether directly held, held through The M&G Savings Plan or through The M&G ISA and The M&G Junior ISA. Additional Terms apply to direct investments, investments in The M&G Savings Plan and investments in The M&G ISA and The M&G Junior ISA, and these are set out in Parts Two, Three and Four respectively. These Terms apply in addition to the Prospectus, Key Investor Information Document and Important Information for Investors document (as applicable). These Terms, together with the Key Investor Information Documents, Important Information for Investors document and Application, form our client agreement with you.

If you would like more information, or have any questions, please contact our **Customer Relations** team on **0800 390 390**.

These Terms are valid from 17 November 2017 and remain valid until otherwise stated. If you are unsure whether you hold the most up-to-date version, please contact us.

### 1 Definitions

1.1 In these Terms, the following definitions apply:

**we, us and our:** M&G Securities Limited.

**you, your and Subscriber:** Individual(s) who has/have applied to subscribe for an Investment, to be held directly or through an ISA (including the Registered Contact in the case of an M&G Junior ISA) or, for the purposes of Part Three, the person (or persons) in whose name The M&G Savings Plan is opened.

**Accumulation Shares:** Do not pay Income but automatically reinvest any Income which is reflected in the share price.

**Additional Permitted Subscription:** An additional subscription which you can apply to make into your ISA following the death of your spouse or civil partner. The Additional Permitted Subscription will not count towards your current Year ISA subscription limit.

**Administration Office:** Customer Relations, PO Box 9039, Chelmsford, CM99 2XG.

**Application:** Your Application to subscribe for an Investment whether in writing, by telephone or by internet, as appropriate, completed by you.

**'BACS':** Bankers Automated Clearing System.

**Bank:** An institution authorised to carry out banking services in the UK under the Banking Act 1987.

**Business Day:** Any day when the London Stock Exchange is open for business.

**Child Trust Fund:** A Child Trust Fund managed in accordance with The Child Trust Fund Regulations 2004, as replaced or amended from time to time.

**Client Money Account:** A bank account held by us with NWB (or another Bank appointed by us) and which conforms to the requirements of that part of the FCA Rules dealing with the protection of client money.

**Client Transaction Account:** An arrangement whereby your money in relation to settlement via a third party is protected through the course of settlement.

**Commercial Settlement System:** A system commercially available to firms that are members or participants, the purpose of which is to facilitate the settlement of transactions using money or assets held on one or more settlement accounts.

**Current Year Account:** Subscriptions and Investments representing Subscriptions made in the current Year.

**Custodian:** State Street Bank and Trust Company whose address is 20 Churchill Place, Canary Wharf, London E14 5HJ.

**Custody Account:** An account held by us with the Custodian in which Custody Assets are held for safekeeping.

**Custody Assets:** The underlying assets (including cash) of the M&G Funds held in a Custody Account.

**Delivery versus Payment Transaction:** A system where the payment for a security is due at the same time as the delivery of the security.

**Ex Mini M&G Stocks and Shares ISA:** The M&G ISA, previously designated as a Mini ISA.

**Ex PEP M&G Stocks and Shares ISA:** The M&G ISA, previously designated as a Personal Equity Plan (PEP).

**FCA:** The Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

**FCA Rules:** The Financial Conduct Authority's Handbook of Rules and Guidance as amended from time to time.

**Fund Settlement Date:** Until 20 November 2015, the fourth business day after the valuation point following receipt of your instructions, and after 20 November 2015, the third business day after the valuation point following receipt of your instructions.

**HMRC:** HM Revenue & Customs.

**Important Information for Investors:** This document contains important information that should be read in conjunction with the relevant Key Investor Information Document.

**Income:** All payments received from an M&G Fund as Income including any tax payments.

**Income Shares:** Entitle the holder to be paid the Income attributed to those shares on the payment date.

**Intermediary:** An authorised person under the Financial Services and Markets Act 2000 who is authorised to give advice on Investments.

**Investment(s):** Shares held in M&G Fund(s), whether directly or within your ISA or M&G Savings Plan.

**ISA:** An Individual Savings Account or a Junior Individual Savings Account, as the context may require, managed in accordance with the ISA Regulations, including both The M&G ISA and The M&G Junior ISA.

**ISA Fund:** M&G Funds that we specify as available for investment within your ISA.

**ISA Manager:** A manager of ISAs acting in accordance with the ISA Regulations.

**ISA Regulations:** The Individual Savings Account Regulations 1998 and any other applicable regulations made from time to time by HM Treasury.

**Junior ISA:** A Junior Individual Savings Account managed in accordance with the ISA Regulations.

**Junior ISA Holder:** An individual aged under 18, in whose name The M&G Junior ISA was opened and is therefore the holder of an M&G Junior ISA.

**Key Investor Information Document:** The Key Investor Information Documents and, where applicable, the non-UCITS retail scheme Key Investor Information Documents for M&G Funds.

**Lien:** A right exercisable by a Custodian to retain the Custody Assets where outstanding fees or charges are due to the Custodian in respect of services provided by it in connection with the safekeeping of Custody Assets.

**M&G Funds:** M&G Investment Funds (1), (2), (3), (4), (5), (7), (8), (10), (11), (12), M&G Global Dividend Fund, M&G Global Macro Bond Fund, M&G Optimal Income Fund, M&G Strategic Corporate Bond Fund, M&G Property Portfolio, M&G Feeder of Property Portfolio, any sub-funds thereof, and such other funds as M&G may specify from time to time.

**M&G ISA:** The ISA offered by M&G, which is managed under these Terms, and is a stocks and shares ISA.

**M&G Junior ISA:** The Junior ISA offered by M&G, which is managed under these Terms, and is a stocks and shares Junior ISA.

**M&G OEIC:** M&G Funds excluding M&G Feeder of Property Portfolio.

**M&G Savings Plan:** A savings scheme operated under these Terms.

**Nominated Bank Account:** A UK bank or building society account of which you are a named holder and which you specify and we accept as the account to receive Income payments due to you.

**Nominee:** M&G Nominees Limited for Shares.

**NWB:** National Westminster Bank Plc, having its Head Office at 135 Bishopsgate, London EC2M 3UR, an authorised institution under the Banking Act 1987.

**Registered Address:** The address at which we are registered with the Registrar of Companies, being Laurence Pountney Hill, London EC4R 0HH.

**Registered Contact:** The only person who can give instructions to us for the management of an M&G Junior ISA.

**Re-registration:** An in-specie transfer of Shares held within your M&G ISA or M&G Junior ISA to another ISA Manager or the transfer of your M&G Funds to a fund platform or member of TeX.

**Savings Fund:** Such M&G Funds which we may specify as available for investment within your M&G Savings Plan.

**Savings Payment:** An amount you subscribe to your M&G Savings Plan.

**Savings Share:** One Accumulation Share (or fraction thereof) of the M&G Fund you select for your M&G Savings Plan.

**Shares:** Such class(es) of share(s) or unit(s) in M&G Funds that we may specify as available for investment, including any fractions or decimals thereof.

**Subscription:** A payment in sterling to be applied to your ISA including, where applicable, an Additional Permitted Subscription.

**Terms:** These Terms and Conditions, as from time to time amended, (consisting always of Part One and as supplemented by Part Two, Part Three and/or Part Four, as applicable) together with your Application which will take precedence if the two differ.

**TeX:** The TISA Exchange, an organisation established by the Tax Incentivised Savings Association (TISA) to facilitate Re-registration through the electronic transfer of funds between fund managers, fund platforms and other ISA Managers and any other firm authorised to hold funds on behalf of investors.

**Third Party Payer:** An individual who being neither the Junior ISA Holder nor the Registered Contact subscribes to an M&G Junior ISA.

**XD Date:** The date on which the income is removed from the price of an Income Share pending the payment of a distribution.

**Year:** A year beginning on 6 April and ending on the following 5 April.

- 1.2 Reference to any statutory provision or regulation includes any modification or re-enactment. Reference to any regulatory body includes any successor to that body. Any headings and subheadings are not a legally binding part of these Terms.

## 2 M&G Securities Limited

M&G Securities Limited, a company incorporated in England and Wales with the registered office at Laurence Pountney Hill, London EC4R 0HH, acts as the Authorised Corporate Director of M&G OEICs, the manager of M&G Feeder of Property Portfolio, and as the plan manager of The M&G ISA. M&G Securities Limited also acts as the alternative investment fund manager in respect of M&G Investment Funds (4), M&G Investment Funds (11), M&G Property Portfolio and M&G Feeder of Property Portfolio. The main business of M&G Securities Limited is acting as the manager of collective investment schemes and acting as an ISA Manager. M&G Securities Limited is authorised and regulated by the FCA with firm reference number 122057.

## 3 Classification

You are classified as a “retail client” as defined in the FCA Rules unless we notify you in writing to the contrary. As a retail client you benefit from the highest level of protection under FCA Rules.

## 4 Commencement of these Terms

- 4.1 These Terms will come into force, subject to your right to cancel, once your valid Application and Subscription have been accepted by us.
- 4.2 If you have an Ex PEP M&G Stocks and Shares ISA, these Terms will apply even if your Ex PEP M&G Stocks and Shares ISA was opened, or derives from, an M&G PEP which was opened on, or before, 31 May 1989. We treat such an Investment as a single Investment with effect from 1 June 1989.

## 5 Intermediaries

- 5.1 If you deal with us through an Intermediary you permit us to give that Intermediary information about your Investments, unless you instruct us that the Intermediary no longer advises you about (any of) them.
- 5.2 If you invest through an Intermediary, we may pay initial and renewal commission to the Intermediary where permitted to do so in accordance with the FCA Rules. These commissions are paid by us out of our charges and do not constitute additional charges to your Investment.

## 6 Fees, charges and expenses

- 6.1 All fees, charges and expenses applicable to Investments are set out in the relevant Key Investor Information Document and the ‘Investing with M&G’ section of the Important Information for Investors document.
- 6.2 If you invest through an ISA additional charges may apply and you should refer to Term 15.5 of Part Four for further details.
- 6.3 Please note that other costs including taxes, may arise in relation to your Investment that are not paid, or imposed by us.

## 7 Risk warnings

Your attention is drawn to the risk warnings relating to your Investment in the risk and reward profile of the relevant Key Investor Information Document.

## 8 Suitability and Appropriateness

We do not provide advisory or discretionary management services under these Terms. Please note that we will not assess the suitability or appropriateness of transactions for you or services provided to you and you will not benefit from the protection of the FCA Rules on assessing suitability and appropriateness. You should consult an Intermediary if you require investment advice.

## 9 Cancellation

- 9.1 You will have the right to cancel your Investment if you have invested on the personal recommendation of an Intermediary.
- 9.2 If cancellation rights apply to you we will send you a cancellation reminder after your Application has been accepted.
- 9.3 If cancellation rights apply to you and you wish to cancel, you should return the completed form to Customer Relations at PO Box 9039, Chelmsford CM99 2XG. You should post the form within 14 days from the day you received your reminder.
- 9.4 If you invest a lump sum you may not get a full refund of the money you paid if the purchase price falls before we know that you have exercised your cancellation rights. This is because we deduct an amount equal to any fall in the purchase price from the refund you would otherwise receive.
- 9.5 If you cancel an ISA you remain eligible to invest in another Stocks and Shares ISA in the same tax Year, subject to the cancellation being completed within sufficient time.

## 10 Client money

- 10.1 Cash may be held for you in a Client Money Account. Cash will be held in a Client Money Account for all M&G ISA Investments.
- 10.2 Purchasing M&G Funds – Cash is not held in a Client Money Account in the course of settling Shares in a Delivery versus Payment Transaction where we receive cash from you within 24 hours of the Fund Settlement Date in relation to Shares purchased on your behalf with NWB.
- 10.2.1 Commercial Settlement Systems – Money in relation to a transaction on your behalf within a Commercial Settlement System may not be

held in a Client Money Account. Where money due in respect of a purchase of Shares is received earlier than the business day before Fund Settlement Date, we will protect your cash in a Client Money Account by the close of business the following business day.

## 10.3 Selling M&G Funds

- 10.3.1 **Cheques:** The proceeds of a sale will be protected by us in a Client Money Account from Fund Settlement Date until the cheque is cashed.
- 10.3.2 **Electronic payments:** The proceeds of a sale paid to you on Fund Settlement Date by electronic means to your Bank Account will not be held in a Client Money Account. If we are unable to pay you the proceeds of your sale deal on Fund Settlement Date your cash will be held in a Client Money Account the Business Day following Fund Settlement Date.
- 10.3.3 **Commercial Settlement Systems:** Money in relation to transactions on your behalf within a Commercial Settlement System may not be held in a Client Money Account. Where we are unable to make payment to you on the Fund Settlement Date we will protect your cash in a Client Money Account by the close of business the following business day.
- 10.4 We will use a Client Transaction Account when it is appropriate to do so as required by FCA Rules.
- 10.5 Interest is not earned on any balances in a Client Money Account.
- 10.6 The Client Money Account will be held in the UK with an authorised bank (currently NWB) (the “Bank”) in accordance with FCA Rules. The Bank will hold the cash on our behalf in an account separate from any account used to hold money belonging to us in our own right. We will not, however, be responsible for any acts or failures to act of the Bank.
- 10.7 If the Bank becomes insolvent, we will have a claim on behalf of you against the Bank. If, however, the Bank cannot repay all of its creditors, any shortfall may have to be shared pro-rata between the creditors.
- 10.8 If we become insolvent, any cash not held in a Client Money Account may be treated as our own funds and this may delay any return of cash to you.
- 10.9 We may cease to treat cash held for you in a Client Money Account as your cash, if we have held it for you for a period of not less than six years and we are unable to trace you having taken all reasonable steps and followed FCA rules on establishing contact with you. Where we cease to hold cash in a Client Money Account, the value of that cash is paid away to charity. We undertake to pay all amounts due to you where we re-establish contact with you.
- 10.10 If, in accordance with Part Four ISA and Junior ISA terms section 8.2, we cease to act as an ISA Manager, or M&G Securities Limited effects a transfer of business, then we may transfer cash held in a Client Money Account to a new provider. Cash transferred by us out of a Client Money Account will continue to be treated under FCA Rules by any new provider. We will perform all necessary checks and enquiries prior to any transfer of business to satisfy ourselves that the new provider is able to act in accordance with FCA Rules.
- 10.11 Neither we nor anyone else acting on our behalf will place any charge or make any claim on any money held in a Client Money Account.

## 11 Client Assets

- 11.1 **Aggregation:** We pool your Investments with Investments held in the name of other Subscribers and do not identify individual Investments by separately named accounts. From time to time, as part of our normal settlement procedures, where Investments are pooled we may use your and other Subscribers’ Investments to settle transactions. As we may sell fractional units to you but can only trade whole units in the market this will from time to time result in us holding a small number of units which are not separately held by us. Should we become insolvent, these arrangements could cause delay in recovering your Investments or increase the risk of loss to you.
- 11.2 **Nominees:** We hold Shares for you and register them in the name of M&G Nominees Limited, whose address is the same as our Registered Address. We may hold Shares in our own name from time to time to facilitate dealing in the market. Investments are held on trust and will continue to belong to you even if M&G Nominees Limited becomes insolvent. Subject to the ISA Regulations, you authorise us to direct and instruct M&G Nominees Limited to discharge our responsibilities under these Terms. We are responsible for the acts and failures to act of M&G Nominees Limited. M&G Nominees Limited are themselves an ‘authorised person’ under the Financial Services and Markets Act 2000; therefore they can only hold Investments and cannot carry on business in their own right.
- 11.3 **Commercial Settlement Systems:** Where Shares are traded via a Commercial Settlement System, cash in respect of the trade will not be held in a Client Money Account. If the trade has not settled on the third Business Day following our instruction to carry out that trade, then, where required by FCA Rules, cash equal to the value of that unsettled trade will be held in a Client Money Account.
- 11.4 **Charges and Liens:** The assets in which M&G Funds are invested are held in a Custody Account for safe-keeping by the Custodian in accordance with FCA Rules. The Custodian is an independent third party that is not affiliated to us. The Custodian is entitled to charge us for its safe-keeping of

- the Custody Assets. In the event that we fail to pay the Custodian's charge it is entitled to exercise a Lien over the Custody Assets. The effect of the exercise of a Lien is that there may be a delay in selling your Shares and returning the cash to you.
- 11.5 **Closure:** When your M&G ISA closes we register all remaining Investments in your name. You may instead instruct us to sell any Investments as in Term 6 (Withdrawals) of Part Four. When your M&G Junior ISA closes (See Term 6 (Withdrawals) of Part Four) we register all remaining Investments in the name of the Junior ISA Holder.
- 11.6 **Insolvency:** In the event of the insolvency of M&G, any Shares being settled through a Commercial Settlement System or by a Delivery versus Payment Transaction may be treated as being our assets and this may delay returning cash to you.
- 11.7 **Unclaimed Assets:** we may cease to treat Shares as Shares registered to you if, following a period of 12 years without any contact from you, we are unable to trace you having taken all reasonable steps and followed FCA rules on establishing contact with you. Where Shares are sold in accordance with this Term, the proceeds of the sale are paid away to a charity of our choice. We undertake to pay the value realised on the sale of a Share where we re-establish contact with you.
- 11.8 **Asset Protection:** where we identify a discrepancy that indicates a shortfall in assets we will protect, in accordance with FCA Rules, the value of any shortfall in cash in a Client Money Account until the discrepancy can be resolved.
- 12 Anti-money laundering**  
We may need to ask you for documentation to assist us in verifying your identity. We must verify your identity to ensure we meet certain regulations. We normally do this using electronic means but occasionally we have to ask for extra documents from you to complete this process. This will not normally result in any delay in carrying out instructions but sometimes a delay may occur. In particular, this may happen if we have to ask you for further information when you have sold Shares as we will need the information from you before we can send you the money.
- 13 Overseas investors**  
Shares in the M&G Funds have not been and will not be registered with the US Securities and Exchange Commission under the United States Securities Act of 1933, as amended, or registered or qualified under the securities laws of any state of the United States and may not be offered, sold, transferred or delivered, directly or indirectly, to any investors within the United States. M&G Funds will not be registered under the United States Investment Company Act of 1940, as amended.
- 14 Indemnity**  
You fully indemnify us and our Nominees in respect of all liabilities (including taxes and expenses) incurred in managing your Investment except those liabilities arising from our fraud, negligence or breach of FCA Rules, or that of our Nominees.
- 15 Statements and Records**  
15.1 If you are a retail client you will be sent a statement of account every six months (currently as at 5 April and 5 October). This statement includes details of your transactions during the relevant period. In the unlikely event that we are holding client money on your behalf, we will also send you a statement of that client money annually as at 18 December. If there is no client money associated with your account on that date then you will not receive a statement. A statement of any client money we hold on your behalf is also available upon request.  
15.2 We shall send statements normally within 25 Business Days of the dates at which we compile them.  
15.3 You may inspect copies of contract notes, vouchers and entries on our books or electronic media relating to transactions on your Investments. We keep these records for six years.
- 16 Notices**  
16.1 Any notice we serve on you will be treated as correctly given if we post it or leave it at the address we have for you in our records. This applies even if you have by then become bankrupt or died, and whether or not we have been notified of this. Notices given to you will still be valid if you fail to receive them for any reason.  
16.2 Notices posted to you will be treated as being served on the second Business Day after we post them provided the envelope has been properly addressed and stamped. Notices you give us will take effect when we have received them.
- 17 Contact Details**  
17.1 You can contact our **Customer Relations** team by telephoning **0800 390 390** (lines are open 8.00am to 6.00pm Monday to Friday and 9.00am to 1.00pm on Saturday) or by writing to:  
Customer Relations  
PO Box 9039  
Chelmsford  
CM99 2XG  
Email: [info@mandg.co.uk](mailto:info@mandg.co.uk)  
Website: [www.mandg.co.uk/info](http://www.mandg.co.uk/info)  
If you have hearing difficulties, you can contact our **Minicom textphone** team on **0800 917 2295** from 9.00am to 5.00pm, Monday to Friday.
- 17.2 For your security and to improve the quality of our service, we may record and monitor telephone calls.  
17.3 The information contained within an email cannot be guaranteed as secure. We advise that you do not include any sensitive information when corresponding with us in this way.
- 18 Joint Subscribers**  
18.1 We will only serve notice to one Subscriber (see Term 16 of this Part One above).  
18.2 We will have met our obligations if any money, or other property, is received by any one Subscriber.  
18.3 If a joint Subscriber dies, the surviving Subscriber or Subscribers will be the only person(s) recognised as having title to the rights under these Terms.  
18.4 Any written request of instruction should be signed by all Subscribers. However, we have absolute discretion to act on a written request or instruction that is only signed by one or some of the Subscribers and will not incur any liability if we do so.  
18.5 An ISA cannot be held jointly.
- 19 Complaints**  
19.1 If you wish to complain about any aspect of the service you have received, or to request a copy of our complaint handling procedures, please write to: Customer Relations, PO Box 9039, Chelmsford CM99 2XG, or telephone 0800 390 390.  
19.2 If your complaint is not dealt with to your satisfaction, you can write to: The Financial Ombudsman Service (FOS), Exchange Tower, London E14 9SR.
- 20 Financial Services Compensation Scheme**  
We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £50,000. Further information about compensation arrangements is available from: The Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU.
- 21 Language**  
We shall communicate with you in English. All documents will be provided to you in English and it is expected that you will communicate with us in English.
- 22 Conflicts of Interest**  
We recognise that we have an obligation to you to identify and manage the conflicts of interest that may arise within our business. It is a matter of trust and we consider it important for you to know that we will use all reasonable endeavours to ensure we identify these conflicts, look to resolve them and to treat you fairly. Further details of our Conflicts of Interest policy are available on request.
- 23 Variation of Terms**  
23.1 If we give at least one month's written notice, we may vary these Terms provided that the changes are not back dated and do not:  
  - materially affect your interests or the interests of other Subscribers;
  - release us from any of our obligations to you;
  - impose on you any obligations to make a payment; or
  - alter the fundamental basis of your Investment.
23.2 We reserve the right to vary these Terms without notice if required by a change in the FCA Rules or applicable law but provided we notify you in writing as soon as practicable thereafter of any material changes.
- 24 Death**  
24.1 If we are informed of your death, we shall continue to hold all Investments under these Terms until your death is registered, your personal representatives instruct us in respect of all Investments and we complete all transactions and meet all liabilities.  
24.2 The value as at the date of death will take into account any withdrawal fees, if applicable. For details of how the withdrawal fee works, please refer to the 'Investing with M&G' section of the Important Information for Investors document.  
24.3 **For Joint Subscribers:** If one Subscriber dies, the surviving Subscriber or Subscribers will be the only person or persons we recognise as having title to the rights under these Terms.
- 25 Ending your agreement**  
25.1 There is no minimum duration for your agreement with us.  
25.2 You have the right to end your agreement with us at any time by selling your Investment(s). Any such instructions should be sent in writing to us at Customer Relations, PO Box 9039, Chelmsford CM99 2XG.
- 26 Payments to you**  
26.1 To pay money to you, we will post a cheque using the address we have in our records for you. For joint Subscribers we may make the cheque payable, and post it, to any one of you, at the address we hold for that Subscriber – see Term 18 of this Part One "Joint Subscribers". We do not make payment to anyone except you.  
26.2 Every cheque will be made payable to the person to whom it is sent. Payment of such a cheque, if purporting to be in due form, shall be a full discharge of the money payable.

26.3 Where you request at the time of the instruction for proceeds to be paid electronically to your bank and provide your bank account number and sort code, and we have been able to verify these details in accordance with the requirements in the 'How can I sell my Investment?' section of the Important Information for Investors document, we will make payment by BACS. If we are unable to confirm these details in time to make payment electronically, a cheque will be sent to your home address on the due settlement day in accordance with Terms 26.1 and 26.2 above.

## 27 Re-registration

You may arrange for part or all of your Investments to be transferred to a fund platform or another ISA Manager. Where the transferee is a member of TeX or otherwise has made arrangements with us to transfer funds electronically you authorise us to provide information about your Investments to them and act on instructions to sell or transfer your Investments to them in accordance with any electronic messages received from them which we act on in good faith.

## 28 Data Protection

All personal information provided by you and any other information relating to your Investment will be treated in confidence by us and will not be disclosed to any third parties outside the M&G Group, except to our service providers, appropriate authorities and other Prudential Group Companies, or where permitted by law or where your prior consent has been received.

## 29 Force Majeure

Whilst we will endeavour to comply with our obligations in a timely manner, provided we have complied with the relevant FCA Rules on business continuity in all relevant respects, we will incur no liability whatsoever for any partial or non-performance of our obligations by reason of any cause beyond our reasonable control including but not limited to any communications, systems or computer failure, market default, suspension, failure or closure, or the imposition or change (including a change of interpretation) of any law or governmental or regulatory requirement and we shall not be held liable for any loss you may incur as a result thereof.

## 30 Tax Reporting

As a result of UK legislation, we may be required to obtain confirmation of certain information, such as where you are resident for tax purposes, your tax identification number, and your place and date of birth, or your tax status classification if you are a corporate body. Under certain circumstances (including where you do not supply us with the information we request), we will be obliged to report your personal details as well as the details of your Investment to HMRC. This information may then be passed to other tax authorities.

## 31 Law and Jurisdiction

These Terms are governed by English Law and are subject to the non-exclusive jurisdiction of the English courts.

## Part Two: Direct Investment Terms

The Terms set out in this Part Two apply in addition to the Terms set out in Part One but only in relation to an Investment you make directly into the M&G Funds.

### 1 Applying to invest in the M&G Funds

For details of the methods available to invest in M&G Funds, please refer to the 'How can I apply for an M&G investment?' section of the Important Information for Investors document.

### 2 Confirmation and Fund Reports

2.1 Once your Application has been processed, we will issue you with a formal acknowledgement. If you have purchased via an Intermediary, we will send both copies of your acknowledgement to your Intermediary, who will then pass a copy on to you. We do not issue certificates of title.

2.2 We will send you a copy of the annual and half-yearly short report for your M&G Funds.

### 3 Income

For details of your options for investing in Accumulation or Income Shares, please refer to the 'What are my income options?' section of the Important Information for Investors document.

### 4 Switching between funds

For details of how you can switch between M&G funds, please contact our Customer Relations team using the contact details in Term 17.1 of Part One.

### 5 Withdrawals

You can withdraw part or all of your Investment at any time (subject to minimum limits). For more details please refer to the 'How can I sell my investment?' section of the Important Information for Investors document.

### 6 Share Class Conversions

6.1 Where an M&G Fund issues Income Shares and Accumulation Shares, instructions to convert between Income Shares and Accumulation Shares of the same M&G Fund and the same share class may be given at any time and will be executed within five days of receipt.

6.2 Where an M&G Fund issues different share classes, you may convert your Shares to another Share class where you are eligible to hold that Share class. Requests to convert your Shares to another class must be made using the appropriate form available from us. We will convert your Shares within three Business Days of receipt of a valid instruction.

6.3 Where we determine at our absolute discretion that frequent conversions are materially prejudicial to the Subscribers of a class, instructions to convert between Share classes of the same M&G Fund will only be executed on the second business day following the end of that M&G Fund's accounting period. In these circumstances, instructions to convert between share classes of the same M&G Fund must be received no sooner than ten business days before the end of the relevant accounting period.

## Part Three: M&G Savings Plan Terms

The Terms set out in this Part Three apply in addition to the Terms set out in Part One but only in relation to an Investment you make through The M&G Savings Plan.

### 1 Applying to invest through The M&G Savings Plan

For details of the methods available to invest in a Savings Fund, including the minimum Investment amounts, please refer to the 'Investing with M&G' section of the Important Information for Investors document.

### 2 Additional Contributions

You can make additional lump sum Investments or specify additional regular savings amounts to your M&G Savings Plan at any time by telephone or by completing an additional contribution form.

### 3 Your M&G Savings Plan

3.1 We shall credit your M&G Savings Plan with your Savings Payments and debit it with the cost of Savings Shares we buy for you. We keep a record of the number of Savings Shares held in your M&G Savings Plan.

3.2 Whenever we credit a Savings Payment to your M&G Savings Plan, we will use it to buy Savings Shares on your behalf.

3.3 The price of the Savings Shares will be the price of the relevant Savings Fund calculated as at the next regular valuation point after we receive your payment to purchase Shares.

3.4 We may impose minimum subscription amounts for each Savings Fund held within your M&G Savings Plan. These minimum subscription amounts are disclosed in the 'Investing with M&G' section of the Important Information for Investors document. We may reject any subscription below these amounts.

### 4 Income

The M&G Savings Plan only offers Accumulation Shares. If you require an Income, you have the option to convert your Investment into Income Shares outside of an M&G Savings Plan. Please contact us if you require further details of this option.

### 5 Switching between funds

For details on how you can switch between Savings Funds, please contact our Customer Relations team using the contact details in Term 17.1 of Part One.

### 6 Withdrawals

6.1 You may instruct us at any time to sell all or any specified number of Savings Shares in your Savings Plan by telephone or by writing to our Customer Relations Team at the address in Term 17.1 of Part One.

6.2 We may impose minimum holding amounts for each Savings Fund within your M&G Savings Plan. These minimum holding amounts are disclosed in the 'Investing with M&G' section of the Important Information for Investors document. If at any time your holding in a Savings Fund is below the specified minimum, we reserve the right to sell the Savings Shares and send you the proceeds.

### 7 Closing your M&G Savings Plan

7.1 You may close your M&G Savings Plan at any time by advising us in writing or by telephone.

7.2 We may end your participation in The M&G Savings Plan, or all Subscribers' participation in all M&G Savings Plans, at any time by giving you at least three months' notice in writing. This notice will specify the date The M&G Savings Plan will end.

7.3 If an M&G Savings Plan ends, Savings Shares held in your M&G Savings Plan will be re-registered in your own name, unless this would result in a holding below the minimum for your Savings Fund.

7.4 If an M&G Savings Plan closes and you do not hold enough Savings Shares for them to be re-registered, we buy them back from you. This will be at the price calculated as at the first regular valuation point on the day The M&G Savings Plan ends. We pay you the proceeds on the due settlement day.

7.5 If notification to end your M&G Savings Plan is received from you whilst we are in the process of claiming a Subscription from your bank, Savings Shares will be bought with that Subscription. These Savings Shares will then be sold and the proceeds refunded to you.

### 8 Charges

We make no additional charges to administer your M&G Savings Plan.

### 9 Tax

If you invest through The M&G Savings Plan, we send you a subsidiary tax voucher after the end of each Year, showing the amount of Income paid to you.

### 10 Managing your M&G Savings Plan

10.1 We hold all Savings Shares we buy on your behalf in trust for you and register them in the name of 'M&G Nominees Limited'.

10.2 We may deal as principal in Savings Shares for your M&G Savings Plan and keep any resulting profit. We will only deal as principal when acting as the

operator of the Savings Funds for the purpose of or in connection with the operation of the fund.

- 10.3 We shall not be required to take notice of any third party interests in the Savings Shares of your M&G Savings Plan, even if the interest arises from a trust or The M&G Savings Plan is designated. When there is, or may be a conflict of interest between us and M&G Savings Plan Subscribers or between one M&G Savings Plan Subscriber and another M&G Savings Plan Subscriber we will pay due regard to the interests of each M&G Savings Subscriber and manage any such conflict of interest fairly.

## 11 Fund Reports

We will send you a copy of the annual and half-yearly short report for your M&G Funds.

## Part Four: M&G ISA and M&G Junior ISA Terms

The Terms set out in this Part Four apply in addition to the Terms set out in Part One but only in relation to an Investment you make through The M&G ISA or The M&G Junior ISA.

### 1 General

- 1.1 **Our role as ISA Manager:** We may delegate any of our functions, discretions and duties under these Terms to another company for the purposes of administering your ISA and may provide them with information about you and your ISA and where applicable the Junior ISA Holder. We will, however, remain liable to you for the performance of any such delegated matters. We shall satisfy ourselves that any person to whom we delegate any of our functions or responsibilities under these Terms is competent to carry out those functions and responsibilities. We make all the necessary claims for tax relief relating to your ISA and the Investments held in it. We hold your personal data and where applicable that of the Junior ISA Holder for the purpose of managing your ISA in accordance with the requirements of data protection legislation and may pass on to our service providers the information they need to manage your ISA. We are entitled to act as principal in transactions within your ISA.
- 1.2 **Special circumstances:** We have discretion to apply funds to an ISA on a day other than a Business Day. If you are due a payment from us relating to an ISA Subscription paid by debit card we reserve the right to pay direct to that card and to delay any payment until the expiry of any period during which a Subscription could be reclaimed.
- 1.3 **CAT Standard:** Any Investment which was designated by us as CAT Standard will continue to adhere to the original CAT Standards.

### 2 Ownership

- 2.1 **Title and borrowing:** All documents evidencing title to Investments are held by us or as we direct. We may not lend any part of your ISA to a third party and we may not borrow against its security.
- 2.2 **Beneficial ownership:** In the case of The M&G ISA you are and you remain the beneficial owner of the Investments but must not use them as security for a loan. In the case of The M&G Junior ISA the Junior ISA Holder is and remains the beneficial owner of the Investments but the Junior ISA Holder (or the Registered Contact, or anyone on behalf of the Junior ISA Holder) must not use them as security for a loan. You or where applicable the Junior ISA Holder may only dispose of or transfer an interest in any Investment through us and may not create (or have outstanding) any charge or security on or over any Investment.

### 3 Segregation and Aggregation

- 3.1 **Segregation:** We do not segregate Investments by Subscription Year, but may segregate Investments in your Current Year Account from Investments representing previous Years' Subscriptions if we need to do so under Term 7.1 of this Part Four.
- 3.2 **Aggregation:** Orders conducted on your behalf under these Terms may be aggregated with those of other Subscribers. FCA Rules require us to advise you, if we wish to aggregate orders, that aggregation may work to your disadvantage in relation to a particular order.

### 4 Opening Your ISA

- 4.1 **Application:** Your Application covers the current Year and each subsequent Year until we receive no Subscriptions for one full Year. A Direct Debit Instruction authorises us to collect and invest regular Subscriptions for you unless and until you notify us to the contrary, either at the time you apply, or otherwise. If we accept your Application to open an ISA by telephone or internet we will send you a written copy of the declaration which you make under ISA Regulations. If this copy is incorrect and/or false you must notify us of any correction within 30 days from the date we send the copy. Unless the changes make your ISA void, we then send a revised declaration which takes effect from the date of the original declaration.
- 4.2 **Subscriptions:** Your Subscriptions will be allocated to The M&G ISA or The M&G Junior ISA as appropriate. All Subscriptions made to an M&G Junior ISA are regarded as irrevocable gifts to the Junior ISA Holder and as such cannot be repaid to the Subscriber at a later date if the Subscriber changes their mind. We will accept Subscriptions to an M&G Junior ISA from a Third Party Payer provided that you send us a completed M&G Junior ISA Direct Debit/Additional Contribution Form signed by you.
- 4.3 **ISA Transfer:** If you opt to cancel an ISA transfer, we will endeavour to transfer your ISA back to your previous ISA Manager. If we are unable

to transfer your ISA back to your previous ISA Manager, we will sell the Investments and send the cash proceeds to you, although you should note that once encashed such proceeds will lose the ISA tax advantages. You may not get a full refund of the money you paid if the price of the Investment falls before we know that you have exercised your cancellation rights.

- 4.4 **Timing:** We cannot open your ISA until we accept your Application and receive your first Subscription. If we receive both Subscription and Application before 12 noon on any Business Day we can open your ISA on that day, otherwise we will normally open your ISA on the following Business Day. At our discretion we may open your ISA on a day other than a Business Day.

## 5 Information we require

- 5.1 **Instructions:** You must instruct us in writing unless we agree otherwise. We acknowledge all instructions.
- 5.2 **Information:** You must give us all information which we reasonably request to manage your ISA and tell us promptly if you or the Junior ISA Holder change your permanent residential address or if you wish to change your Nominated Bank Account.
- 5.3 **Tax status:** You may not open a Junior ISA if the Junior ISA Holder subscribed to a Child Trust Fund. You may not subscribe to an ISA while you or in the case of a Junior ISA the Junior ISA Holder are not resident and ordinarily resident in the UK for tax purposes unless you or the Junior ISA Holder as appropriate qualify as a Crown employee (a person holding public office or employment under the Crown and paid out of the public revenue of the UK or of Northern Ireland) or you or the Junior ISA Holder are married to or in a civil partnership with a Crown employee serving overseas. You must inform us immediately if you or the Junior ISA Holder stop being UK resident and ordinarily resident for tax purposes, or if as a non-resident you stop being a Crown employee or cease to be married to or in a civil partnership with a person who performs these duties, as the case may be.

## 6 Withdrawals

- 6.1 **Instructions:** You may at any time instruct us to sell any Investments held in your M&G ISA and withdraw the proceeds, at a future date specified by you, or at the next valuation point if no date is specified. Before we pay, we may require your written signed withdrawal instructions. In accordance with the ISA Regulations withdrawals from The M&G Junior ISA can only be made with the prior agreement of HMRC where the Junior ISA holder has a terminal illness or when the Junior ISA is closed. A Junior ISA can only be closed on the death of the Junior ISA Holder, on the Junior ISA Holder reaching their 18th birthday or on the direct authority of HMRC (where the Junior ISA is void).
- 6.2 **Withdrawal on the Junior ISA Holder reaching their 18th birthday:** An M&G Junior ISA will close automatically on, or the next Business Day after, the 18th birthday of the Junior ISA Holder. Investments will be transferred to an M&G ISA, remaining in the same fund(s) and share class(es) as were held in The M&G Junior ISA. Any withdrawal will therefore be made out of the new M&G ISA and as such will be governed by Term 6 of this Part Four.
- 6.3 **Payment:** We may deduct from any amount to be paid any outstanding fees, charges and expenses due and retain such sums as we reasonably estimate we need to meet any tax liability for which we must account to HMRC. We hold any cash due pending payment outside your ISA in a Client Account.
- 6.4 **Timing:** Instructions received before 12 noon will be dealt at that day's valuation point. Instructions received after 12 noon will be dealt at the next Business Day's valuation point. We may carry out security checks to confirm your identity before we make payment. We will settle on the due settlement date, provided we know the proceeds from all Subscriptions, including Direct Debits, have cleared. We may delay paying the sale proceeds from any uncleared Subscriptions, until we are satisfied that we have received all amounts which are due to us. We will send a cheque, payable to:
- the Registered Contact, if the withdrawal is due to the terminal illness of the Junior ISA Holder.
  - the personal representative of the Junior ISA Holder, if the withdrawal is due to the death of the Junior ISA Holder.
  - the Junior ISA Holder, if the withdrawal is due to the Junior ISA Holder reaching 18 years of age or an M&G Junior ISA being void.
- When we send a cheque to you or to the Junior ISA Holder, we will send it to the permanent residential address you have given us.

## 7 ISA Transfers

- 7.1 **Transfers out:** You may at any time instruct us to transfer, within a time stipulated by you, or at the next valuation point following confirmation from your new ISA Manager that they will accept the transfer of all or part of your M&G ISA or all of your M&G Junior ISA, with all rights and obligations of the parties to it, to a stocks and shares ISA or stocks and shares Junior ISA as appropriate with another ISA Manager. You may only transfer Current Year Subscriptions of your M&G ISA as a whole. Before we make a transfer to another ISA Manager, we may sell some relevant Investments in order to deduct any amounts due to us. If we

receive any Income from Investments transferred out we withdraw it from your M&G ISA and remit it directly to you or in the case of a Junior ISA to your new ISA Manager. These Terms continue to apply to (the part of) your M&G ISA being transferred until the transfer is complete, all outstanding transactions settled and all liabilities met.

- 7.2 **Transfers in:** You may transfer to us all or part of an ISA, provided the transfer is in cash or is an ISA Fund. You may also transfer all of a Child Trust Fund to an M&G Junior ISA, provided the transfer is in cash or is an ISA Fund. We apply the cash when we receive it to buy Shares in your ISA as you instruct and as permitted by ISA Regulations. Before we can accept the transfer of an ISA we must receive from you a duly completed Application at our Administration Office.
- 7.3 **Transfer of our responsibilities:** We may, following 30 days' prior written notice to you, transfer our responsibilities as ISA Manager of The M&G ISA or The M&G Junior ISA to any entity (including an Associate) which is approved under the ISA Regulations as an ISA Manager, if that other entity writes to you and undertakes to carry out all our duties and obligations in respect of your ISA. Following such communication, we will be released from all those duties and obligations that the new ISA Manager has undertaken to carry out. Before such a transfer is carried out, we shall satisfy ourselves that any new ISA Manager is competent to carry out those functions and duties to be transferred.

## 8 Closing Your Account

See also Term 10 of this Part Four.

- 8.1 **Closing:** You may close your M&G ISA at any time by withdrawing all the Investments under Term 6 of this Part Four or transferring all of your ISA to another ISA Manager under Term 7 of this Part Four without affecting any transactions already undertaken. Investments remaining in your M&G ISA at closure are re-registered as in Term 11.3 of this Part Four. You may reactivate your M&G ISA by restarting Subscriptions, although you must submit another Application if we receive no Subscriptions for one full Year. Please see Term 6.1 of this Part Four for a description of the conditions under which an M&G Junior ISA can be closed other than at our initiative.
- 8.2 **No longer ISA Manager:** Your ISA will close if we stop acting as an ISA Manager. We shall give you reasonable written notice if we decide to do this. At the end of that notice period your ISA will close but you may meanwhile transfer Investments under Term 7 (ISA Transfers) of this Part Four or in the case of The M&G ISA only withdraw Investments under Term 6 (Withdrawals) of this Part Four.
- 8.3 **Payment:** We may deduct from any payment or transfer any amount due to us for outstanding fees, charges and expenses. Normal fees and charges apply if your ISA closes other than under Term 8.2 of this Part Four. We also retain sufficient cash to discharge any tax liability for which we must account to HMRC under ISA Regulations. We may sell any Investment which was held in your ISA to meet such liabilities as soon as is reasonably practicable.
- 8.4 **Business in hand:** Closing your ISA does not affect any transactions initiated before the closure began. These Terms continue to apply until we complete all outstanding transactions and meet all liabilities.
- 8.5 **Winding up of an ISA Fund:** In the event that an ISA Fund is no longer available for inclusion in your ISA, to preserve the tax status of your ISA, we reserve the right to switch your Investment into a nominated default ISA Fund. If such an event occurs we shall attempt to contact you to advise you of the options available to you.

## 9 Exemption from Tax

- 9.1 **ISA Regulations:** You will be notified if all or part of your ISA is no longer exempt from tax for failing to satisfy the provisions of the ISA Regulations, but these Terms continue to apply. If your whole ISA is no longer exempt from tax it immediately closes. If all or part of your ISA is no longer exempt from tax we hold any affected Investments to your order outside your ISA and pay any affected cash balances to you or in the case of The M&G Junior ISA to the Junior ISA Holder.
- 9.2 **Death:** The tax exemptions of The M&G ISA stop on your death and the tax exemptions of The M&G Junior ISA stop on the death of the Junior ISA Holder. When informed of their death, we close the ISA but continue to hold all Investments under these Terms until the death is registered, the personal representatives instruct us in respect of all Investments and we complete all transactions and meet all liabilities. During this time we will reinvest Income received irrespective of any previous instructions.
- 9.3 We will notify you if by any reason of any failure to satisfy the provisions of the ISA Regulations your ISA is or will become no longer exempt from tax by virtue of the ISA Regulations and other relevant legislation.

## 10 Buying and Selling Investments

- 10.1 We use cash to buy Investments as chosen by you. We may only buy when cash is available. We do not retain cash within your ISA.
- 10.2 **Shares:** Subject to Terms 6.1, 10.1 and the exceptions in Term 10.4 of this Part Four, we buy and sell Shares at the relevant price calculated as at the next valuation point of the ISA Fund on the Business Day on which we receive your cash for investment or selling instructions before 12 noon. Sterling Class 'R' shares will only be available where the transaction has been arranged by an Intermediary. We normally treat instructions/cash arriving after 12 noon as received at the start of business on the next Business Day.

We time sales that are part of a transfer under Term 7 of this Part Four so that the settlement and agreed transfer dates coincide.

Purchases and sales of Shares within your ISA may be pooled with those of other ISA Subscribers and transactions placed for the aggregate amount. When we purchase or sell Shares in accordance with these Terms, we will always endeavour to do so on terms at least as favourable as those you would receive if we were to deal with you individually. However there may be circumstances where you receive a less favourable price than if we had dealt for you individually. When there is, or may be, a conflict of interest between us and you or between one ISA Subscriber and another ISA Subscriber we will pay due regard to the interests of each ISA Subscriber and manage any such conflict of interest fairly in accordance with our conflicts of interest policy (see Term 22 of Part One).

If you reinvest Income in additional Shares we buy them at the valuation point on the Business Day we receive the Income.

- 10.3 **Switches:** You may instruct us to sell Investments and use the proceeds to buy Shares in other ISA Funds. We use sale proceeds to buy Shares in your selected ISA Fund(s) immediately prior to the valuation point(s) on the Business Day of the sale.
- 10.4 **Share Class Conversions:** Where an M&G Fund issues different Share classes and we make those Share classes available within The M&G ISA or M&G Junior ISA, you may convert your Shares to another Share class where you are eligible to hold that Share class. Requests to convert your Shares to another class must be made using the appropriate form available from us. We will convert your Shares within three Business Days of receipt of a valid instruction. Where we determine at our absolute discretion that frequent conversions are materially prejudicial to the Subscribers of a class, instructions to convert between Share classes of the same M&G Fund will only be executed on the second business day following the end of that M&G Fund's accounting period. In these circumstances, instructions to convert between Share classes of the same M&G Fund must be received no sooner than ten business days before the end of the relevant accounting period.
- 10.5 **Minimum subscriptions:** We may impose minimum subscription amounts for each M&G Fund held within your M&G ISA or M&G Junior ISA. These minimum subscription amounts are disclosed in the 'Investing with M&G' section of the Important Information for Investors document. We may reject any subscription below these amounts.
- 10.6 **Minimum holdings:** We may impose minimum holding amounts for each M&G Fund within your M&G ISA. These minimum holding amounts are disclosed in the 'Investing with M&G' section of the Important Information for Investors document. If at any time your holding in an M&G Fund is below the specified minimum, we reserve the right to sell the Shares and send you the proceeds.

## 11 Registering Investments

- 11.1 **Aggregation:** We register your Investments in the same name as those of other Subscribers and do not identify individual Investments by separate certificates. From time to time, as part of normal settlement procedures, where Investments are pooled we may use your and other Subscribers' Investments to settle transactions. Should we become insolvent, this arrangement could cause delay in recovering your Investments or increase the risk of loss.
- 11.2 **Nominees:** We hold Shares for you and register them in the name of M&G Nominees Limited, whose address is the same as our Registered Address. Investments are held on trust and will continue to belong to you even if the Nominee becomes insolvent. Subject to ISA Regulations, you authorise us to direct and instruct our Nominees to discharge our responsibilities under these Terms. We are responsible for the acts and omissions of our Nominees. Neither company is itself an authorised person under the Financial Services and Markets Act 2000; they can only hold Investments and do not carry on business in their own right.
- 11.3 **Closure:** When your M&G ISA closes we register all remaining Investments in your name. You may instead instruct us to sell any Investments as in Term 6 (Withdrawals) of this Part Four. When your M&G Junior ISA closes (See Term 6 (Withdrawals) of this Part Four) we register all remaining Investments in the name of the Junior ISA Holder.

## 12 Income

- 12.1 **Reinvestment:** We use all Income to buy further Shares in the same Investment unless you have an M&G ISA and you have already instructed us to pay Income directly to your Nominated Bank Account.
- 12.2 **Income after sale (The M&G ISA):** If you have an M&G ISA and you no longer have a holding in an Investment at the time when we receive the Income arising from it, we do not buy further Shares with that Income but pay it to you.
- 12.3 **Income after sale (The M&G Junior ISA):** If you have an M&G Junior ISA and you no longer have a holding in an Investment at the time when we receive the Income arising from it:
- If you have sold that Investment to buy another Investment, We do not buy further Shares with that Income in the Investment that you have sold but buy further Shares of the Investment that you subsequently bought.
  - If you have transferred an M&G Junior ISA to a new ISA Manager, We pay the Income to your new ISA Manager; or

- If you have withdrawn the Investments or closed an M&G Junior ISA as described in Term 6.1 of this Part Four, We pay the Income to the person who received the withdrawal payment as described in Term 6.4 of this Part Four.
- 12.4 **Payment:** To receive Income payments you must instruct us to pay these by direct credit to your Nominated Bank Account as under Term 13 of this Part Four. We pay shortly after we receive the Income.
- 12.5 **Deductions:** We may deduct from any Income any fees, charges or expenses due to us under Term 15 (Fees, Charges and Expenses) of this Part Four.
- 13 Your Nominated Bank Account**
- Your nomination:** When you apply for an M&G ISA you may specify a single Nominated Bank Account with your Application or by completing and submitting to us the form which we provide. You may instruct us at any time to stop using that Nominated Bank Account and, if we accept, specify another single account in its place. It takes five Business Days after we receive your instructions to apply them to Income payments.
- Payments:** Payment to your Nominated Bank Account, or at our discretion by other means, is in either case a good discharge of our liability.
- 14 Fund Reports, Meetings and Voting Rights**
- Reports and meetings:** For any Investment held in your ISA, we can arrange for you when you open your ISA or after one month's notice to receive a copy of the annual and half-yearly report on publication, and, subject to any legal restriction, to attend meetings of holders, exercise voting rights and receive additional information sent to holders.
- Voting rights (Shares):** We do not exercise voting rights for any of your Shares unless you instruct us on the form of voting instruction which we issue when appropriate.
- 15 Fees, Charges and Expenses**
- 15.1 M&G Securities Limited, as authorised corporate director / manager of the ISA Funds you may hold within your ISA, will levy any initial charge relating to buying Shares in the ISA Fund. M&G Securities Limited will also receive the annual management charges of such ISA Funds and any other expenses or charges which are properly paid to them out of the property of the ISA Fund.
- We receive fees from M&G Securities Limited for managing and administering your ISA on such terms as may be agreed between us and M&G Securities Limited from time to time.
- 15.2 **Withdrawal fee:** A withdrawal fee (also known as redemption charge or exit charge, where applicable) is levied by M&G Securities Limited, when you sell such Shares in a withdrawal fee Share class or ISA Fund or transfer them to another ISA Manager under Term 8 of this Part Four according to the details set out in the 'Investing with M&G' section of the Important Information for Investors document.
- This fee does not apply to Shares bought with reinvested Income. Where relevant we shall withdraw on your behalf Shares which carry the lowest withdrawal fee, so that you pay the lowest possible charge.
- 15.3 **Payment:** If there is insufficient cash in your ISA to pay the fees, charges, expenses or other sums due to us, we may sell Investments to that value and use the proceeds for payment.
- 15.4 **Variation of Charges:** Provided we give you at least one month's written notice and we have a valid reason for doing so, we may add to or amend the charges specified in these Terms. Please note that you have a right to end this agreement at any time by closing your ISA if you object to any changes to our charges or fees.
- 15.5 **Additional Fee Investments:** We may specify any Investment as an "Additional Fee Investment". We must give you 90 days' notice if we impose an additional fee on existing Investments. We make an annual charge of 0.25% (plus VAT) per Year on Additional Fee Investments, although we have the power to increase this to 0.5% (plus VAT) per Year.
- 15.5.1 For Shares, the annual charge is due in 12 equal monthly instalments calculated on the value of the ISA Fund at the first regular valuation point in each month and deducted in arrears from the next Income distribution paid by the ISA Fund, or at the time you sell the Shares.
- 16 Registered Contact**
- 16.1 There can only be one Registered Contact for an M&G Junior ISA at any time. The first Registered Contact will be the person who opens The M&G Junior ISA. That person can be:
- 16.1.1 **The Junior ISA Holder:** Where the Junior ISA Holder is aged 16 or over, applies to open an M&G Junior ISA, and does not suffer from a mental illness.
- 16.1.2 **A person with parental responsibility:** Where an Application is made on behalf of a Junior ISA Holder, it can only be done by a person declaring that they have parental responsibility for the Junior ISA Holder. Such persons include the child's natural parents, persons who have legally adopted the child, persons who have been granted parental responsibility by the Courts and a local authority that has parental responsibility for a child in its care.
- 16.2 If the first Registered Contact is a person with parental responsibility, the role of the Registered Contact can be passed on to another person as follows:
- 16.2.1 Upon the completion of an Application and the obtaining of the consent of the existing Registered Contact, if the applicant is a person with parental responsibility; or
- 16.2.2 Upon the completion of an Application if the applicant is the Junior ISA Holder and is between 16 and 18 years of age.
- 16.3 Once the Junior ISA Holder has assumed the role of Registered Contact, the role cannot be passed to another person.
- 16.3.1 All correspondence (including statements) will be sent to the Registered Contact.
- 17 Order Execution Policy**
- 17.1 **Introduction:** We will deal with any order to buy or sell Shares under the Terms in a way that achieves the best possible result for you in the circumstances. For Shares this will usually involve execution outside of a regulated market or multilateral trading facility as the Shares are not quoted on a regulated market or multilateral trading facility.
- 17.2 **Execution factors:**
- 17.2.1 We are required under the policy to consider various execution factors in deciding how best to execute a client order. These include price, cost, speed, likelihood of execution and settlement, size, nature and other relevant matters. We will usually consider price to be the most important factor for you.
- 17.2.2 Policy for Shares: When it is necessary to buy or sell Shares for you under the Terms, these orders will be executed with M&G Securities Limited as authorised corporate director or manager of the relevant collective investment scheme. We believe that M&G Securities Limited is best placed to provide us on a consistent basis with a competitive market price and the required level of liquidity. Sometimes an ISA Fund may be available via another trading platform provided by a third party. Although this could be an alternative execution venue, we do not use such platforms as we do not believe that we would obtain a better price by doing so.
- 17.3 **Best Execution obligation of stockbrokers:** Any stockbroker we use from time to time, will owe us obligations of "best execution" in relation to any orders we transmit to, or execute with, them. We will monitor the prices they achieve on a regular basis to ensure they meet this obligation.
- 17.4 **Monitoring:** We will monitor the effectiveness of these arrangements and implement any necessary changes to our Order Execution Policy from time to time. This will involve us reviewing whether using other stockbrokers or execution venues would be feasible and would generate a better result for you. We will notify you of any material changes to our Order Execution Policy and arrangements made from time to time, where they are relevant to you.
- 17.5 **Specific Instructions:** Please note, any specific instructions from you as to how you would like your order dealt with may prevent us from taking the steps that we have designed to obtain the best possible result in the circumstances. In any case, however, it is our policy not to take specific instructions from our customers as to how we should fulfil their orders to buy or sell Shares under our Terms.
- 17.6 **Your Acknowledgement and Consent:** By placing an order with us, you acknowledge that you have been made aware of and accept the nature, policy and processes which we have in place for providing best execution as defined in this Order Execution Policy and that we shall have full discretion to choose a relevant venue for executing any order or orders, but in doing so shall assess and balance a range of all relevant factors, including those set out in this policy disclosure statement which, in our reasonable determination, we consider relevant to achieving the best result for your order; and you consent to our dealing outside a regulated market or multilateral trading facility, for the reasons set out in Term 17.1 of this Part Four.
- 18 Additional Permitted Subscriptions (APS)**
- 18.1 You can make an Additional Permitted Subscription into an M&G ISA. You must complete our Additional Permitted Subscription ISA Application Form each time that you wish to make an Additional Permitted Subscription.
- 18.2 If you already hold an M&G ISA when you first make an Additional Permitted Subscription, we reserve the right to open a new account in which to accept your Additional Permitted Subscriptions.
- 18.3 You may not make Additional Permitted Subscriptions by Direct Debit. We will not accept in-specie Additional Permitted Subscriptions.
- 18.4 You can transfer your Additional Permitted Subscription allowance to M&G by completing our Additional Permitted Subscription ISA Transfer Authority Form. We will then request information from the existing ISA Manager.
- 18.5 You may transfer your APS allowance to another provider by contacting an ISA Manager which accepts APS transfers.

## > How to contact us



### Investment Helpline\*

**0800 389 8600**

If you have any questions about investing or would like further information about our funds, please contact our Investment Helpline from 8.00am to 6.00pm, Monday to Friday, and from 9.00am to 1.00pm on Saturday.

### Customer Relations\*

**0800 390 390**

If you have a query regarding your M&G investments, our Customer Relations team can be contacted from 8.00am to 6.00pm Monday to Friday, and from 9.00am to 1.00pm on Saturday.

### Dealing Line\*

**0800 328 3196**

If you would like to make a lump sum payment into a direct investment by debit card\*\*, the Dealing Line can be contacted from 8.00am to 6.00pm, Monday to Friday. Payment by cheque must be made within three working days. Prior to telephoning, please ensure you have read the most up-to-date KIID for your chosen share class in the funds in which you wish to invest.

### Minicom textphone\*

**0800 917 2295**

If you have hearing difficulties, you can contact us on minicom from 9.00am to 5.00pm, Monday to Friday.



### Our website

**[www.mandg.co.uk/info](http://www.mandg.co.uk/info)**

Visit our website for the latest performance information and fund prices whenever it is convenient for you.



### Email us†

**[info@mandg.co.uk](mailto:info@mandg.co.uk)**

For information.



### Write to us at:

**M&G Customer Relations**

**PO Box 9039**

**Chelmsford**

**CM99 2XG**

Existing customers, please remember to quote your name, M&G client reference and sign any written communication to M&G. Failure to provide this may affect your ability to transact with us.

\* For security purposes and to improve the quality of our service, we may record and monitor telephone calls. Existing customers will require their M&G client reference. Failure to provide this will affect your ability to transact with us.

\*\* We accept Maestro, Switch, MasterCard Debit, Visa Debit, Solo and Visa Delta.

† Please note that information contained within an email cannot be guaranteed as secure. We advise that you do not include any sensitive information when corresponding with M&G in this way.