

Key Investor Information



This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

M&G Strategic Corporate Bond Fund

Sterling Class I – Income shares ISIN no. GB00B6VTPZ79

Sterling Class I – Accumulation shares ISIN no. GB00B7J4YT87

Managed by M&G Securities Limited, which is part of the Prudential Group

Objective and investment policy

Objective

To deliver income and capital growth.

Investment policy

At least 70% of the Fund is in investment grade (high quality) fixed income securities issued by companies.

The Fund takes a focused approach, investing mostly in fixed income securities issued by quality companies from anywhere in the world. However, a portion of the Fund can also be invested in fixed income securities issued by governments and high yield fixed income securities (those issued by companies considered to be more risky and therefore generally pay a higher level of income).

Derivatives may be used to meet the Fund's investment objective and to reduce risk, minimise costs and generate additional capital and/or income. Derivatives are financial instruments whose value is linked to the expected future price movements of an underlying asset.

The Fund is also able to invest in other funds, other debt securities, cash, warrants (allowing the fund manager to buy stocks for a fixed price until a certain date) and money market instruments (for example, debt securities that will be repaid in one year or less).

Other information

This Fund allows the fund manager(s) to make discretionary choices when deciding which investments should be held in the Fund.

You can buy and sell shares in the Fund on any business day. Provided we receive your instructions before 12 noon, shares will be bought at that day's price.

If you hold income shares, any income from the Fund may be paid out to you quarterly.

If you hold accumulation shares, any income from the Fund will be rolled up into the value of your investment.

In addition to the charges set out in the charges section, the Fund will incur portfolio transaction costs which are paid from the assets of the Fund. These can be higher when investing outside Europe.

Risk and reward profile

Low risk High risk
←—————→
Typically lower rewards Typically higher rewards



- The above risk number is based on simulated historical data and may not be a reliable indicator of the future risk profile of the Fund.
- The risk number shown is not guaranteed and may change over time.
- The lowest risk number does not mean risk free.

The main risks that could affect performance are set out below:

- The value of investments and the income from them will fluctuate. This will cause the fund price to fall as well as rise. These fluctuations may be more extreme in periods of market disruption and other exceptional events. There is no guarantee the fund objective will be achieved and you may not get back the original amount you invested.
- Derivatives may be used in a limited way to obtain exposure to investments rather than holding the investments directly. It is anticipated that the use of derivatives will not materially alter the risk profile of the Fund or increase price fluctuations compared to equivalent funds that do not invest in derivatives.
- The Fund may take short positions through the use of derivatives which are not backed by equivalent physical assets. Short positions reflect an investment view that the price of the underlying asset is expected to fall in value. Accordingly, if this view is incorrect and the asset rises in value, the short position will cause the Fund to incur a loss.
- Changes in the interest rate will affect the value of, and the interest earned from, the fixed income securities held by the Fund. When interest rates rise, the capital value of the Fund is likely to fall.
- The value of the Fund will fall if the issuer of a fixed income security held is unable to pay income payments or repay its debt (known as a default). Fixed income securities that pay a higher level of income usually have a lower credit rating because of the increased risk of default. The higher the rating the less likely it is that the issuer will default, but ratings are subject to change.
- In difficult market conditions the value of certain fund investments may be less predictable than normal and, in some cases, this may make such investments harder to sell at the last quoted market price, or at a price considered to be fair.
- The fund manager will place transactions (including derivative transactions), hold positions and place cash on deposit with a range of counterparties (institutions). There is a risk that counterparties may default on their obligations or become insolvent.

A more detailed description of the risk factors that apply to the Fund can be found in the Fund's Prospectus.

Charges

The charges shown in the table are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	1.00%
Exit charge	n/a
The entry charge is the maximum that might be taken out of your money before it is invested.	
Charges taken from the Fund over a year	
Ongoing charge	0.66%
Charges taken from the Fund under certain specific conditions	
Performance fee	None

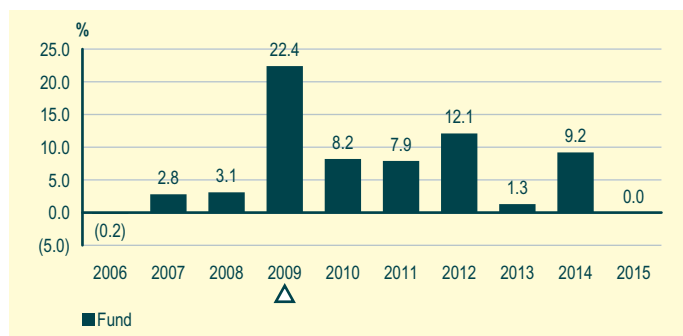
The entry and exit charges shown are the maximum figures and, in some cases, you may pay less. You can find out the specific charges which apply to your investment by contacting your financial adviser, distributor, or if you have invested directly with us, by contacting us using the details given in the practical information section.

The ongoing charge is based on expenses for the year ending 31 August 2015. This figure may vary from year to year. It excludes portfolio transaction costs.

From 01 September 2016, for Income shares, the ongoing charge will be taken from investments held in the Fund's portfolio and not from the income these investments produce. The deduction of this charge may reduce the potential growth of your investment.

For more information on charges, please refer to the relevant sections of the Prospectus which can be found by visiting www.mandg.co.uk/literature

Past performance



- Past performance is not a guide to future performance.
 - The past performance calculation is inclusive of UK taxes. It does not take into account the entry and exit charges but does take into account the ongoing charge, as shown in the Charges section.
 - The Fund launched on 20 February 2004. The Sterling Class I Accumulation share class and Sterling Class I Income share class launched on 3 August 2012.
 - Sterling Class I shares do not have 10 complete years of past performance information available, as they launched on 3 August 2012. Therefore, past performance information for Sterling Class A shares has been used for the period 1 January 2006 – 3 August 2012.
- △ 1 September 2009. The Fund changed its objective. The past performance shown before this change was therefore achieved under circumstances that no longer apply. For more information about this change, visit www.mandg.co.uk/objectivechange

Practical information

The depositary is National Westminster Bank plc.

For further information about this Fund, please visit www.mandg.co.uk/literature where you can obtain a copy of the Prospectus, Instrument of Incorporation, and latest annual or interim Investment Report and Financial Statements, in English, free of charge. Our website also provides other information not contained in the above documents such as share prices.

This Fund is subject to UK tax laws, which may have an impact on your personal tax position. Please speak to an adviser for further information.

M&G Securities Limited may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Prospectus for the Fund.

Other share classes may exist for the Fund as set out in the relevant Prospectus.

This Fund is authorised in the UK and regulated by the Financial Conduct Authority. M&G Securities Limited is authorised in the UK and regulated by the Financial Conduct Authority. This key investor information is accurate as at 18 April 2016.