

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 A - Income shares ISIN no. GB0033828020

Sterling Class A - Accumulation shares ISIN no. GB0033828137

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

Objective and investment policy

Objective

Income and growth.

Investment policy

At least 70% of investment is in investment grade fixed income securities [investments which provide a certain level of income or interest] which are issued by companies.

[Investment grade fixed income securities are investments which provide a certain level of income or interest. They are considered less risky than an investment of the same type that pays a higher level of income.]

The Fund may invest in derivatives [financial instruments whose value is linked to the expected future price movements of an underlying asset].

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

This Fund allows the fund manager to make discretionary choices when deciding which investments should be held in the Fund. These investment decisions will always be made within the constraints of the Fund's objective and investment policy.

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

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 tend to be higher when investing outside Europe.

Risk and reward profile



- The above risk number is based on the rate at which the value of the Fund has moved up and down in the past.
- This risk number is based on 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 Fund has the above risk number because of the effect of the following risks:

- The value of stockmarket investments, and the income from them, will fluctuate. This will cause the Fund price to fall as well as rise and you may not get back the original amount you invested.
- **Derivatives** - The Fund may use derivatives for the purposes of meeting the Fund's objective, and protecting the capital value from risk. We anticipate that the use of derivatives will not materially alter the risk profile of the Fund or increase price fluctuations, in comparison to equivalent funds that cannot 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 could involve greater risk due to the theoretical possibility of an unlimited rise in its value.

Some derivative transactions may be entered into directly with an eligible person or institution (a "counterparty"). There is a risk that the counterparty may not meet its obligations or becomes insolvent which could cause the Fund to incur a loss.

- **Fixed income securities** - Changes in the interest rate will affect the value 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 and vice versa.

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). A default, expected default, or downgrading will make a fixed income security harder to sell as its value and income are likely to fall. 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.

- **Liquidity** - In difficult market conditions the value of certain fund investments may be less predictable than normal. 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. Such conditions could result in unpredictable changes in the value of your holding.

Charges

| One-off charges taken before or after you invest | |
|--|-------|
| Entry charge | 3.00% |
| Exit charge | 0.00% |
| This 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 | 1.16% |

| Charges taken from the Fund under certain specific conditions | |
|---|------|
| Performance fee | None |

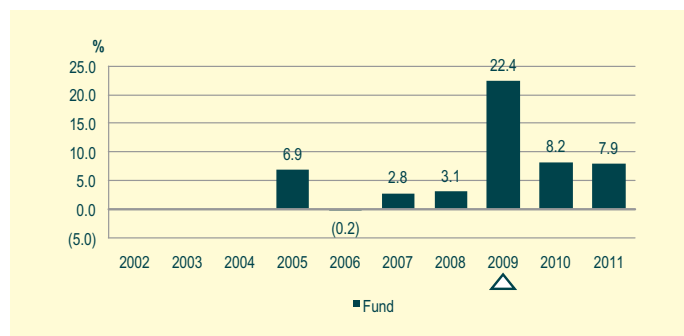
The entry and exit charges shown are the maximum figures, and in some cases, you may pay less. You can find out the specific charges which apply to your investment by contacting your financial adviser, distributor, or by contacting us using the details given in the practical information section.

The ongoing charge is based on expenses for the year ending 31 August. This figure may vary from year to year. It excludes performance fees and portfolio transaction costs (except in the case of an entry / exit charge paid by the Fund when buying and selling shares in another fund).

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.

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 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 and the share class launched on 20 February 2004.
 - Past performance is calculated using Sterling Class A Shares.
- △ 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 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 advisor 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.

You can switch your investment at any time. For further information on switching, please contact us by calling M&G Customer Relations on 0800 390 390.

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

Both this Fund and M&G Securities Limited are authorised in the UK and regulated by the Financial Services Authority (FSA).

This key investor information is accurate as at 31 December 2011.