M&G Global Convertibles Fund - Euro Class A-H

Fund Factsheet as at 30 September 2018

Fund description

The fund aims to deliver income and capital growth over the long term (that is, over five years or more) by investing in a diversified portfolio of convertible bonds. These are a form of debt issued by companies that can be converted into shares, either of the issuer or another company. When selecting convertible bonds, the fund manager looks to participate in the rise of share prices whilst also benefiting from the unique ability of convertibles to provide a degree of protection against share price falls. The fund manager may use derivatives for investment purposes.

Risks associated with this fund

For any past performance shown, please note that past performance is not a guide to future performance.

The value of investments and the income from them will rise and fall. This will cause the fund price, as well as any income paid by the fund, to fall as well as rise. There is no guarantee the fund will achieve its objective, and you may not get back the amount you originally invested.

The fund may use derivatives with the aim of profiting from a rise or a fall in the value of an asset (for example, a company's bonds). However, if the asset's value varies in a different manner, the fund may incur a loss.

The fund may use derivatives to gain exposure to investments exceeding the value of the fund (leverage). This may cause greater changes in the fund's price and increase the risk of loss.

Changes in currency exchange rates will affect the value of your investment.

The value of the fund may fall if the issuer of a fixed income security held is unable to pay income payments or repay its debt (known as a default).

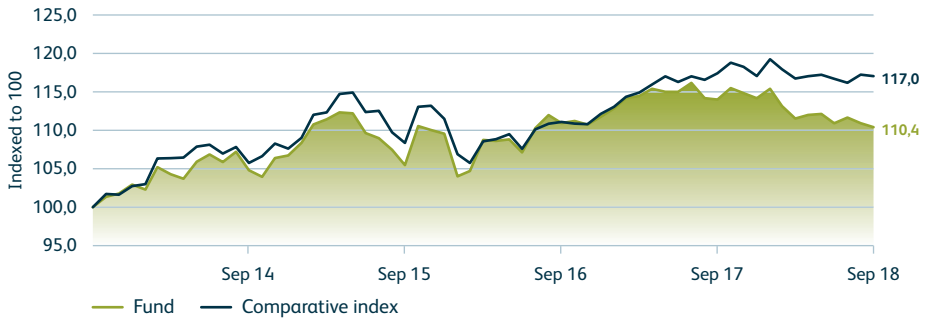
Further risk factors that apply to the fund can be found in the fund's Key Investor Information Document (KIID).

Single year performance (5 years)

From To	01.10.17 30.09.18	01.10.16 30.09.17	01.10.15 30.09.16	01.10.14 30.09.15	01.10.13 30.09.14
Fund	-3,2%	2,8%	5,2%	0,6%	4,8%

Annual performance 2017: 2,2%

Performance over 5 years



Past performance is not a guide to future performance.

Hedged share classes aim to mirror the performance of another share class. We cannot guarantee that the hedging objective will be achieved. The hedging strategy will limit holders of the hedged share class from benefiting if the hedged share class currency falls against the currencies of the fund's investments. Please note that this fund comes with further risks that are explained in the Key Investor Information Document.

Things you should know

The fund allows for the extensive use of derivatives.

Key information

Fund manager	Léonard Vinville
Fund manager tenure from	13 July 2007
Deputy fund managers	David Romani, Yannis Karachalios
Launch date	13 July 2007
Launch of share class	21 May 2010
Fund size (millions)	€1.650,21
Fund type	OEIC, incorporated in the UK
Comparative index	Thomson Reuters Global Focus Convertible Hedged EUR Index
Comparative sector	Morningstar Convertible Bond - Global EUR Hedged sector
Number of holdings	107
Volatility†	5,81%
Share type	Acc & Inc

†Source: Morningstar, three-year annualised volatility, as at 30 September 2018

Please see the glossary for an explanation of terms used.

Charges

Entry charge	4,00%
Ongoing charge	1,69%

Fund ratings

Overall Morningstar rating ★★★

Source of Morningstar ratings: Morningstar, as at 31 August 2018

Ratings should not be taken as a recommendation.

Largest holdings (%)

	Fund
DP World 1.75% 19-Jun-2021	3,3
Siemens Financieringsmaatschappij NV 1.65% 16-Aug-2019	3,2
Cemex 3.72% 15-Mar-2020	3,1
RAG-Stiftung 0% 18-Feb-2021	3,0
RAG-Stiftung 0% 16-Mar-2023	2,7
NXP Semiconductors 1% 01-Dec-2019	2,7
Capitaland 1.95% 17-Oct-2023	2,4
Priceline 0.9% 15-Sep-2021	2,3
Extra Space Storage LP 3.125% 05-Oct-2020	2,3
Bayer 0.05% 15-Jun-2020	2,1

Currency breakdown (%)

	Fund
US dollar	54,4
Euro	25,5
Japanese yen	12,7
Singapore dollar	4,1
Hong Kong dollar	1,6
British pound	0,5
Canadian dollar	0,5
Mexican peso	0,5
Chinese renminbi	0,1
Other	0,1

18100917 4627 g1 C1 GCON EUR AH EN PE 3 0000

Industry breakdown (%)

	Fund
Industrials	19,6
Technology	17,6
Basic materials	15,8
Financials	12,5
Healthcare	9,6
Oil & gas	6,0
Telecommunications	3,8
Consumer services	3,4
Consumer goods	3,4
Utilities	0,5
Other	6,7
Cash	1,1

Country breakdown (%)

	Fund
US	25,6
Netherlands	13,1
Germany	12,7
France	5,2
Japan	5,2
Mexico	4,2
China	4,2
Singapore	4,1
Other	24,5
Cash	1,1

Fund codes and charges

Share class	ISIN	Bloomberg	Annual management charge	Ongoing charge	Minimum initial investment	Minimum top up investment
Euro A Inc	GB00B929RL77	MGCEUAI LN	1,50%	1,67%	€ 1.000	€ 75
Euro A Acc	GB00B1Z68494	MGGLCOE LN	1,50%	1,67%	€ 1.000	€ 75
Euro A-H Inc	GB00B933KJ72	MGCEAHI LN	1,50%	1,69%	€ 1.000	€ 75
Euro A-H Acc	GB00B4X3NX75	MGGCAHE LN	1,50%	1,69%	€ 1.000	€ 75
Euro B Acc	GB00B95HC793	MGCEBAC LN	2,00%	2,17%	€ 1.000	€ 75
Euro B Inc	GB00BYQRBR68	MGGCBIN LN	2,00%	2,17%	€ 1.000	€ 75
Euro B-H Acc	GB00B92WYV59	MGCEBHA LN	2,00%	2,19%	€ 1.000	€ 75
Euro B-H Inc	GB00BYQRBS75	MGGCBHI LN	2,00%	2,19%	€ 1.000	€ 75
Euro C Inc	GB00BK6MC479	MGCEECI LN	0,75%	0,92%	€ 500.000	€ 50.000
Euro C Acc	GB00B1Z68502	MGGLCEC LN	0,75%	0,92%	€ 500.000	€ 50.000
Euro C-H Acc	GB00B4WZ0J97	MGGCCHE LN	0,75%	0,94%	€ 500.000	€ 50.000
Euro C-H Inc	GB00BK6MC586	MGCECHI LN	0,75%	0,94%	€ 500.000	€ 50.000

The ongoing charge figures disclosed above include direct costs to the fund, such as the annual management charge (AMC), administration charge and custodian charge, but does not include portfolio transaction costs. They are based on expenses for the period ending 31 July 2018.

Please note that not all of the share classes listed above might be available in your country.

Please see the Important Information for Investors document and the relevant Key Investor Information Document for more information on the risks associated with this fund and which share classes are available for which product and which investor type.

Important information

Cash may be held on deposit and/or in the Northern Trust Cash Funds, a range of collective investment schemes.

The M&G Global Convertibles Fund is a sub-fund of M&G Investment Funds (7).

Please note that the fund does not have an official benchmark (i.e. none stated in the prospectus), therefore, the fund's returns are shown versus the comparative sector (Morningstar Convertible Bond - Global EUR Hedged sector).

The Synthetic Risk and Reward Indicator for the Fund's Euro Class A-H shares is 4. This is within a scale of 1-7. Please refer the relevant Key Investor Information Document for further details.

Source of performance data: Morningstar, Inc., as at 30 September 2018, Euro Class A-H shares, gross income reinvested, price to price basis. Performance stats are quoted gross of Italian tax on capital gains. Past performance is not a guide to future performance. All other statistics from M&G internal sources, as at 30 September 2018 unless indicated otherwise.

Performance charts © 2018 Morningstar Inc., All Rights Reserved. The information contained within: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is not a guide to future performance.

The Morningstar Overall Rating based on the fund's Euro Class A-H shares. Copyright © 2018 Morningstar UK Limited. All Rights Reserved. Ratings should not be taken as recommendation.

For marketing and information purposes by M&G. In Spain the M&G Investment Funds are registered for public distribution under Art. 15 of Act 35/2003 on Collective Investment Schemes as follows: M&G Investment Funds (1) reg. no 390, M&G Investment Funds (2) reg. no 601, M&G Investment Funds (3) reg. no 391, M&G Investment Funds (5) reg. no 972, M&G Investment Funds (7) reg. no 541, M&G Investment Funds (9) reg. no 930, M&G Investment Funds (12) reg. no 1415, M&G Investment Funds (14) reg. no 1243, M&G Global Dividend Fund reg. no 713, M&G Global Macro Bond Fund reg. no 1056, M&G Optimal Income Fund reg. no 522 and M&G (Lux) Investment Funds 1 reg. no 1551. The collective investment schemes referred to in this document (the "Schemes") are open-ended investment companies with variable capital, incorporated in England and Wales in respect of M&G Investment Funds and in Luxembourg in respect of M&G (Lux) Investment Funds. Société Générale, Paris, Zurich Branch, Talacker 50, P.O. Box 5070, 8021 Zurichacts as the Swiss representative of the Schemes (the "Swiss Representative") and acts as their Swiss paying agent. This information is not an offer or solicitation of an offer for the purchase of investment shares in one of the Funds referred to herein. Purchases of a Fund should be based on the current Prospectus. The Instrument of Incorporation, Prospectus, Key Investor Information Document, annual or interim Investment Report and Financial Statements, are available free of charge, in paper form, from the ACD: M&G Securities Limited, Laurence Pountney Hill, London, EC4R 0HH, GB; or one of the following - the Luxembourg paying agent: Société Générale Bank & Trust SA, Centre operational 28-32, place de la Gare L-1616 Luxembourg; the Danish paying agent: Nordea Bank Danmark A/S Issuer Services, Securities Services, Hermes Hus, Helgeshøj Allé 33, Postbox 850, DK-0900, Copenhagen C, Denmark; M&G International Investments Switzerland AG; the Swiss Representative in Zurich; Allfunds Bank, Calle Estafeta, No 6 Complejo Plaza de la Fuente, La Moraleja, 28109, Alcobendas, Madrid, Spain; or from the Swedish paying agent: Nordea Bank AB (publ), Smålandsgatan 17, 105 71 Stockholm, Sweden. For Italy, they can also be obtained on the website: www.mandgitalia.it For Ireland, they are available in English language and can also be obtained from the Irish facilities agent, Société Générale SA, Dublin Branch, 3rd Floor IFSC House – The IFSC Dublin 1, Ireland. For Greece, they are available in English, except the Key Investor Information Document/s which is available in Greek, from the Greek Representative: Eurobank Ergasias S.A. 8, Othonos Street, 10557 Athens. **Before subscribing you should read the Prospectus and the Key Investor Information Document**, which include investment risks relating to these funds. The information contained herein is not a substitute for independent advice. This financial promotion is issued by M&G Securities Limited (registered in England, No. 90776), authorised and regulated by the Financial Conduct Authority in the UK. Registered office: Laurence Pountney Hill, London EC4R 0HH.

Contact M&G

Denmark
www.mandg.dk
Finland
www.mandg.fi
Greece
www.mandg.gr
Ireland
www.mandg-investments.ie
Italy
www.mandgitalia.it
Luxembourg
www.mandg.lu
Norway
www.mandg.no
Spain
www.mandg.es
Sweden
www.mandg.se
Switzerland
www.mandg.ch

18100917 4627 g1 C1 GCON EUR AH EN PE 3 0000

Glossary

This glossary provides an explanation of terms used in this factsheet and in our literature.

Asset: Anything having commercial or exchange value that is owned by a business, institution or individual.

Asset class: Category of assets, such as cash, company shares, fixed income securities and their sub-categories, as well as tangible assets such as real estate.

Bond: A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid.

Capital: Refers to the financial assets, or resources, that a company has to fund its business operations.

Capitalisation: The total market value of all of a company's outstanding shares.

Convertible bonds: Fixed income securities that can be exchanged for predetermined amounts of company shares at certain times during their life.

Corporate bonds: Fixed income securities issued by a company. They are also known as bonds and can offer higher interest payments than bonds issued by governments as they are often considered more risky.

Credit: The borrowing capacity of an individual, company or government. More narrowly, the term is often used as a synonym for fixed income securities issued by companies.

Credit Default Swaps (CDS): Are a type of derivative, namely financial instruments whose value, and price, are dependent on one or more underlying assets. CDS are insurance-like contracts that allow investors to transfer the risk of a fixed income security defaulting to another investor.

Credit rating: An independent assessment of a borrower's ability to repay its debts. A high rating indicates that the credit rating agency considers the issuer to be at low risk of default; likewise, a low rating indicates high risk of default. Standard & Poor's, Fitch and Moody's are the three most prominent credit rating agencies. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of security's life.

Credit spread: The difference between the yield of a corporate bond, a fixed income security issued by a company, and a government bond of the same life span. Yield refers to the income received from an investment and is expressed as a percentage of the investment's current market value, and a bond is a fixed income security.

Default: When a borrower does not maintain interest payments or repay the amount borrowed when due.

Derivatives: Financial instruments whose value, and price, are dependent on one or more underlying assets. Derivatives can be used to gain exposure to, or to help protect against, expected changes in the value of the underlying investments. Derivatives may be traded on a regulated exchange or traded over the counter.

Developed economy / market: Well-established economies with a high degree of industrialisation, standard of living and security.

Dividend: Dividends represent a share in the profits of the company and are paid out to a company's shareholders at set times of the year.

Duration: A measure of the sensitivity of a fixed income security, also called a bond, or bond fund to changes in interest rates. The longer a bond or bond fund's duration, the more sensitive it is to interest rate movements.

Emerging economy or market: Economies in the process of rapid growth and increasing industrialisation. Investments in emerging markets are generally considered to be riskier than those in developed markets.

Episode: A phase during which investors allow their emotions to affect their decision making, which can cause financial markets to move irrationally.

Equities: Shares of ownership in a company.

Exposure: The proportion of a fund invested in a particular share/fixed income security, sector/region, usually expressed as a percentage of the overall portfolio.

Fixed income security: A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid.

Floating rate notes (FRNs): Securities whose interest (income) payments are periodically adjusted depending on the change in a reference interest rate.

Gilts: Fixed income securities issued by the UK government.

Government bonds: Fixed income securities issued by governments, that normally pay a fixed rate of interest over a given time period, at the end of which the initial investment is repaid.

Hard currency (bonds): Refers to bonds denominated in a highly traded, relatively stable international currency, rather than in the bond issuer's local currency. Bonds issued in a more stable hard currency, such as the US dollar, can be more attractive to investors where there are concerns that the local currency could lose value over time, eroding the value of bonds and their income.

Hedging: A method of reducing unnecessary or unintended risk.

High yield bonds: Fixed income securities issued by companies with a low credit rating from a recognised credit rating agency. They are considered to be at higher risk of default than better quality, ie higher-rated fixed income securities but have the potential for higher rewards. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of security's life.

Index: An index represents a particular market or a portion of it, serving as a performance indicator for that market.

Index-linked bonds: Fixed income securities where both the value of the loan and the interest payments are adjusted in line with inflation over the life of the security. Also referred to as inflation-linked bonds.

Inflation: The rate of increase in the cost of living. Inflation is usually quoted as an annual percentage, comparing the average price this month with the same month a year earlier.

Investment grade bonds: Fixed income securities issued by a company with a medium or high credit rating from a recognised credit rating agency. They are considered to be at lower risk from default than those issued by companies with lower credit ratings. Default means that a company or government is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

Issuer: An entity that sells securities, such as fixed income securities and company shares.

Leverage: When referring to a company, leverage is the level of a company's debt in relation to its assets. A company with significantly more debt than capital is considered to be leveraged. It can also refer to a fund that borrows money or uses derivatives to magnify an investment position.

Liquidity: A company is considered highly liquid if it has plenty of cash at its disposal. A company's shares are considered highly liquid if they can be easily bought or sold since large amounts are regularly traded.

Local currency (bonds): Refers to bonds denominated in the currency of the issuer's country, rather than in a highly traded international currency, such as the US dollar. The value of local currency bonds tends to fluctuate more than bonds issued in a hard currency, as these currencies tend to be less stable.

Long position: Refers to ownership of a security held in the expectation that the security will rise in value.

180530140000 v.10.24 NA C1 ENG

Macroeconomic: Refers to the performance and behaviour of an economy at the regional or national level. Macroeconomic factors such as economic output, unemployment, inflation and investment are key indicators of economic performance. Sometimes abbreviated to 'macro'.

Maturity: The length of time until the initial investment amount of a fixed income security is due to be repaid to the holder of the security.

Modified duration: A measure of the sensitivity of a fixed income security, called a bond, or bond fund to changes in interest rates. The longer a bond or bond fund's duration, the more sensitive it is to interest rate movements.

Monetary policy: A central bank's regulation of money in circulation and interest rates.

Near cash: Deposits or investments with similar characteristics to cash.

Net: The proportion of a fund invested in, for example, different sectors. Derivatives are included. The latter are financial instruments whose value, and price, are dependent on one or more underlying assets.

Net Asset Value (NAV): A fund's net asset value is calculated by taking the current value of the fund's assets and subtracting its liabilities.

Open-Ended Investment Company (OEIC): A type of managed fund, whose value is directly linked to the value of the fund's underlying investments.

Options: Financial contracts that offer the right, but not the obligation, to buy or sell an asset at a given price on or before a given date in the future.

Overweight: If a fund is 'overweight' a stock, it holds a larger proportion of that stock than the comparable index or sector.

Physical: The fund's exposure excluding derivatives, which are financial instruments whose value, and price, is dependent on one or more underlying securities.

Retail Prices Index (RPI): A UK inflation index that measures the rate of change of prices for a basket of goods and services in the UK, including mortgage payments and council tax.

Securitise / Securitisation: The creation and issuance of tradable securities, such as bonds, that are backed by the income generated by an illiquid asset or group of assets. By pooling a collection of illiquid assets, such as mortgages, securities backed by the mortgages' income payments can be packaged and sold to a wider range of investors.

Short position: A way for a fund manager to express his or her view that the market might fall in value.

Short-dated corporate bonds: Fixed income securities issued by companies and repaid over relatively short periods.

Short-dated government bonds: Fixed income securities issued by governments and repaid over relatively short periods.

Swap: A swap is a derivative contract where two parties agree to exchange separate streams of cashflows. A common type of swap is an interest rate swap to hedge against interest rate risk.

Synthetic inflation-linked bonds: Refers to securities created using a combination of assets to simulate the characteristics of inflation-linked bonds. By buying inflation-linked government bonds and selling protection against companies defaulting on their debts, using credit default swaps, the combined synthetic investment will behave similarly to a physical inflation-linked bond, had one had been issued. Synthetic inflation-linked bonds are usually created where a company does not have any inflation-linked bonds in issue.

Total return: The term for the gain or loss derived from an investment over a particular period. Total return includes income (in the form of interest or dividend payments) and capital gains.

Valuation: The worth of an asset or company based on its current price.

Volatility: The degree to which a given security, fund, or index rapidly changes. It is calculated as the degree of deviation from the norm for that type of investment over a given time period. The higher the volatility, the riskier the security tends to be.

Yield: This refers to either the interest received from a fixed income security or to the dividends received from a share. It is usually expressed as a percentage based on the investment's costs, its current market value or its face value. Dividends represent a share in the profits of a company and are paid out to the company's shareholders at set times of the year.

180530140000 v.10.24 NA C1 ENG

M&G INVESTMENTS

UCITS HAVE NO GUARANTEED RETURN AND PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE