

## **Important Notice**

# 9 October 2018

This document contains important information relating to an upcoming change to the M&G Global Floating Rate High Yield Fund, before progressing to your selected document.

Before investing, you should read the information contained in this document, as well as an up-to-date version of the Key Investor Information Document (KIID) for this fund. You should also read the Important Information for Investors document, which includes M&G's terms and conditions.

# M&G Global Floating Rate High Yield Fund

Dear Investor,

Please note that, at an Extraordinary General Meeting of Shareholders held on 4th October 2018, non-GBP investors voted in favour of merging their shareclasses into M&G (Lux) Investment Funds 1.

As a result, dealing in this fund will be suspended for one day to facilitate the merger.

For more information, including the date and effect of the suspension, please visit [www.mandg.com/BrexitMergerDocumentation](http://www.mandg.com/BrexitMergerDocumentation)

# 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 Global Floating Rate High Yield Fund

a sub-fund of M&G Investment Funds (7)

Euro Class C-H – Income shares ISIN no. GB00BMP3SJ21

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

### Objective and investment policy

The fund aims to provide income and capital growth.

**Core investment:** Typically, around 70% of the fund is invested in high yield floating rate notes (FRNs) issued by companies from anywhere in the world. The FRNs are held directly and indirectly through derivatives combined with government bonds. The fund invests in asset-backed securities as well.

**Other investments:** The fund also holds other assets, including bonds issued by governments and cash.

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

**Strategy in brief:** The fund is designed to provide income while minimising the negative impact of rising interest rates by investing mainly in FRNs. The fund focuses on FRNs issued by companies with a low credit rating, which typically pay higher levels of interest to compensate investors for the greater risk of default. Part of the fund may be invested in other fixed income assets, such as government bonds. Spreading investments across issuers, industries and countries is an essential element of the fund's strategy and the manager is assisted in his selection of individual bonds by an in-house team of credit analysts.

**Performance measurement:** The fund is actively managed. The ICE BofAML Global Floating Rate High Yield 3% Constrained Index is a point of reference against which the performance of the fund may be measured.

#### Glossary terms

**Asset-backed securities:** Bonds backed by assets that produce cashflows, such as mortgage loans, credit card receivables and auto loans.

**Bonds:** Loans to governments and companies that pay interest.

**Derivatives:** Financial contracts whose value is derived from other assets.

**Floating rate notes (FRNs):** Bonds whose interest payments, or coupons, are adjusted in line with movements in interest rates.

**High yield bonds:** Bonds issued by companies considered to be riskier and therefore generally paying a higher level of interest.

#### Other information

The fund may invest more than 35% in securities issued or guaranteed by a member state of the European Economic Area or other countries listed in the fund's Prospectus. This investment may be combined with the use of derivatives in pursuit of the fund's investment objective.

The fund manager has the freedom to decide 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.

Any income from the fund may be paid out to you quarterly.

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



- 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 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 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).
- 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 invests mainly in one type of asset. This type of fund can experience larger-than-average price changes when compared to a fund which invests in a broader range of assets.
- Changes in currency exchange rates will affect the value of your investment.
- 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 US dollar.
- The fund will invest in emerging markets which are generally smaller, more sensitive to economic and political factors, and where investments are less easily bought and sold. In exceptional circumstances, the fund may encounter difficulties when selling or collecting income from these investments, which could cause the fund to incur a loss. In extreme circumstances, it could lead to the temporary suspension of dealing in shares in the fund.
- Where market conditions make it hard to sell the fund's investments at a fair price to meet customers' sale requests, we may temporarily suspend dealing in the fund's shares.
- Some transactions the fund makes, such as placing cash on deposit, require the use of other financial institutions (for example, banks). If one of these institutions defaults on their obligations or becomes insolvent, the fund may incur a loss.

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	1.25%
Exit charge	0.00%
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	0.83%
Charges taken from the fund under certain specific conditions	
Performance fee	None

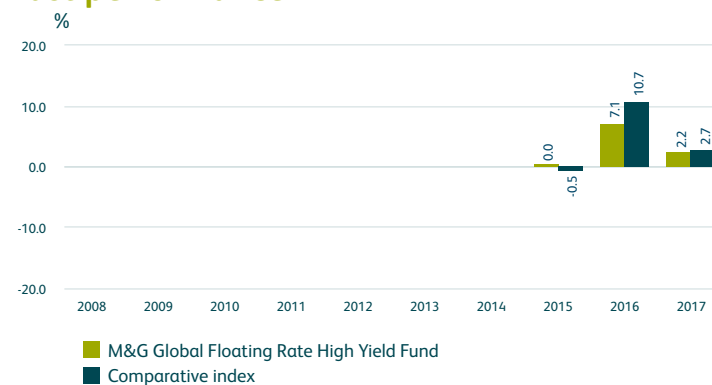
The entry and exit charges shown are the maximum figures and, in some cases, you may pay less. You can find out the exact charges which apply to your investment by contacting your financial adviser or distributor or, if you have invested directly with us, you can contact us using the details given in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

The ongoing charge is based on expenses for the year ending 31 January 2018. This figure may change from year to year. It excludes portfolio transaction costs.

For Income shares, the ongoing charge is taken from investments held in the fund's portfolio and not from the income these investments produce. The deduction of this charge will reduce the potential growth of your investment.

**For more information on charges, please see the relevant sections of the Prospectus at [www.mandg.co.uk/literature](http://www.mandg.co.uk/literature)**

## Past performance



- Past performance is not a guide to future performance.
- The past performance calculation excludes 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 11 September 2014 and the Euro Class C-H Income share class launched on 11 September 2014.
- Past performance is calculated using Euro Class C-H Income shares.

### Comparative index:

01 January 2015 to 31 March 2016 - ICE BofAML Global Floating Rate High Yield Index

01 April 2016 to 31 December 2017 - ICE BofAML Global Floating Rate High Yield 3% Constrained Index

## Practical information

The depositary is NatWest Trustee and Depositary Services Limited.

For more information about this fund, please visit [www.mandg.co.uk/literature](http://www.mandg.co.uk/literature) where you will find a copy of the Prospectus, Instrument of Incorporation and the latest annual or interim Investment Report and Financial Statements. These documents are in English and are available free of charge. Our website also provides other information such as share prices.

UK tax laws apply to the fund, and this may affect your personal tax position. Please speak to an adviser for more 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.

The fund is a sub-fund of M&G Investment Funds (7), an umbrella Open Ended Investment Company (OEIC). The Prospectus, and annual or interim Investment Report and Financial Statements contain information about all of the sub-funds in M&G Investment Funds (7).

The assets of each sub-fund within the umbrella OEIC are segregated by law. This means that the assets belong exclusively to that sub-fund and shall not be used or made available to pay the debts of any other sub-fund or the umbrella OEIC.

You may switch between other sub-funds of M&G Investment Funds (7). An entry charge may apply. Details on switching are provided in the Important Information for Investors document and the fund's Prospectus, or 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.

For up-to-date details of the staff remuneration policy that applies to M&G Securities Limited, including a description of how remuneration and benefits are calculated, the make-up of the remuneration committee, and the identities of persons responsible for awarding the remuneration and benefits, please visit [www.mandg.co.uk/remuneration](http://www.mandg.co.uk/remuneration). We will provide a paper copy of this information, free of charge, if you require one.

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 28 September 2018.