

M&G Global Government Bond Fund
a sub-fund of M&G Investment Funds (3)
USD Class C – Income shares ISIN no. GB00BMP3S253
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: At least 70% of the fund is invested in investment grade (high-quality) bonds issued by governments, or are guaranteed by governments, from anywhere in the world.

Other investments: The fund also invests in bonds with a lower credit rating than investment grade issued by governments, or are guaranteed by governments. In addition, it may hold cash or assets that can be turned into cash quickly.

Use of derivatives: Derivatives may be used to invest indirectly in bonds, 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 manager selects investments based on an assessment of macroeconomic factors such as economic growth, interest rates and inflation. This analysis determines the individual government bonds from different countries in which the manager believes the fund should invest in order to achieve its objective. It also influences the currencies to which the fund will be exposed. The manager is assisted in the selection of individual government bonds by the deputy fund manager and an in-house team of analysts. The fund is diversified by investing in a range of government bonds from across the globe.

Glossary terms
Bonds: Loans to governments and companies that pay interest.
Derivatives: Financial contracts whose value is derived from other assets.

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 semi-annually.
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

1	2	3	4	5	6	7
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- 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.
- Changes in currency exchange rates will affect the value of your investment.
- 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.
- When interest rates rise, the value of the fund is likely to fall.
- 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 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	0.71%
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 charges figure shown here is an estimate of the charges. It takes account of recent significant changes in the size of the fund.

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

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 04 October 1999 and the USD Class C Income share class launched on 22 August 2014.
 - Past performance is calculated using USD Class C Income shares.
- △ 01 September 2008. 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
- △ 01 July 2014. The fund changed its name, objective, policy and valuation currency. 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 more information about this fund, please visit 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 (3), 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 (3).

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 (3). 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. 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 03 August 2018.