

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 Absolute Return Bond Fund

a sub-fund of M&G Investment Funds (10)

Sterling Class L – Accumulation shares ISIN no. GB00BD6FFS27

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

Objective and investment policy

The fund aims to deliver combined income and capital growth of at least the cash rate plus 2.5% a year (before charges) over any three-year period and in any market condition. The cash rate is based on the three-month GBP LIBOR, the rate at which banks borrow money from each other.

The fund aims to achieve this while seeking to limit losses and minimise the degree to which the value of its assets changes over time. Managing the fund in this way reduces its ability to achieve returns significantly above three-month GBP LIBOR plus 2.5%.

There is no guarantee that the fund will achieve a positive return over any period. Investors may not get back the original amount they invested.

Core investment: At least 70% of the fund is invested in bonds (including fixed, variable and index-linked bonds), currencies, cash and near cash (short-term and easily tradable bonds). These assets may be issued anywhere in the world and denominated in any currency. The fund typically invests directly. It may also invest indirectly via derivatives or through other funds.

Use of derivatives: Derivatives may be used to reduce risk, benefit from a fall in the price of specific assets, or to gain exposure to investments exceeding the value of the fund in order to increase its potential return.

Strategy in brief: The managers take a flexible approach, investing across different bond markets and currencies according to where they identify value. The managers have the freedom to adjust the fund's sensitivity to interest rate movements, as well as the blend of bond and currency exposures based on their outlook. The fund will typically aim to have a high level of diversification in individual bond selection and across investment themes and sources of return. The managers will aim to achieve the performance objective while managing the fund's volatility and limiting losses during difficult market conditions.

Glossary terms

Bonds: Loans to governments and companies that pay interest.

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

Warrants: Financial contracts which allow the fund manager to buy stocks for a fixed price until a certain date.

Other information

The fund may invest more than 35% in the securities issued by an EEA State or other countries listed in the fund's Prospectus.

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.

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 may have a material impact on your returns.

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 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.
- 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.
- 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.
- 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.

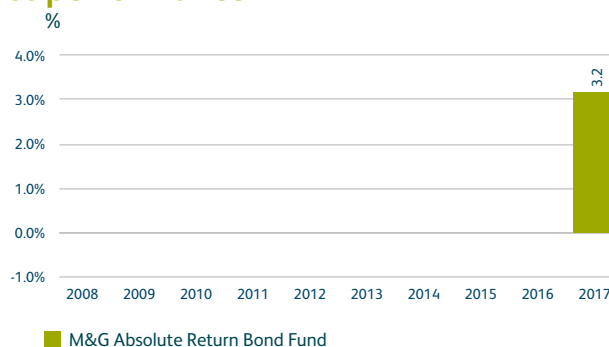
One-off charges taken before or after you invest	
Entry charge	0.00%
Exit charge	0.00%
The entry charge is the maximum that might be taken out of your money before it is invested.	
Charges taken from the fund over a year	
Ongoing charge	0.62%
Charges taken from the fund under certain specific conditions	
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 30 September 2018. This figure may change from year to year. It excludes portfolio transaction costs.

For more information on charges, please see the relevant sections of the Prospectus at www.mandg.co.uk/literature

Past performance



■ M&G Absolute Return Bond Fund

- Past performance is not a guide to future performance.
- The past performance calculation includes UK taxes. It does not take into account the entry and exit charges but does take into account the ongoing charge and the performance fee, as shown in the charges section.
- The Fund launched on 13 December 2016 and the Sterling Class L Accumulation share class launched on 13 December 2016.
- Past performance is calculated using Sterling Class L Accumulation shares.

Practical information

The depositary is NatWest Trustee and Depositary Services Limited.

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 (10), 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 (10).

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 (10). 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 11 December 2018.