

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 Short Dated Corporate Bond Fund

a sub-fund of M&G Investment Funds (2)

Sterling Class A – Income shares ISIN no. GB0031110397

Managed by M&G Securities Limited

Objective and investment policy

The fund aims to provide capital growth and income.

Core investment: At least 80% of the fund is invested in bonds issued by high-quality companies which typically have short repayment dates. These bonds include those with variable rates and fixed rates of return. The fund manager expects that investing in these short-dated bonds will limit the effect of interest rate movements on the fund's capital value. These bonds may be issued anywhere in the world. The fund may hold these assets directly and through derivatives.

Other investments: The fund may also invest in bonds issued by governments and other public institutions and denominated in any currency, other funds, cash or assets that can be turned into cash quickly.

Use of derivatives: Derivatives may be used to invest indirectly in bonds. They may also be used to manage risks and reduce costs, as well as to manage the impact of changes in currency exchange rates on the fund's investments.

Strategy in brief: The fund manager combines a top-down assessment of macroeconomic factors with a bottom-up approach to selecting individual company bonds. Credit research is at the heart of the fund's investment process and an in-house team of credit analysts assists the fund manager with individual bond selection along with the monitoring of companies who have issued the bonds held by the fund.

Benchmark: Markit iBoxx EUR Corporates 1-3 year Index (GBP Hedged)

The fund manager makes active investment decisions for the fund. The benchmark is a comparator which can be used to measure the fund's performance.

For unhedged share classes, the benchmark is shown in the share class currency. For currency hedged share classes, the benchmark is hedged to the share class currency.

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.

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 the rate at which the value of the fund has moved up and down in the past. It 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 and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

• Investments in bonds are affected by interest rates, inflation and credit ratings. It is possible that bond issuers will not pay interest or return the capital. All of these events can reduce the value of bonds held by the fund.

• The fund may use derivatives to profit from an expected rise or fall in the value of an asset. Should the asset's value vary in an unexpected way, the fund may lose as much as or more than the amount invested.

• The fund is exposed to different currencies. Derivatives are used to minimise, but may not always eliminate, the impact of movements in currency exchange rates.

• In exceptional circumstances where assets cannot be fairly valued, or have to be sold at a large discount to raise cash, we may temporarily suspend the fund in the best interest of all investors.

• The fund could lose money if a counterparty with which it does business becomes unwilling or unable to repay money owed to the fund.

Further details of the risks 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%
This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.	
Charges taken from the fund over a year	
Ongoing charge	0.50%
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.

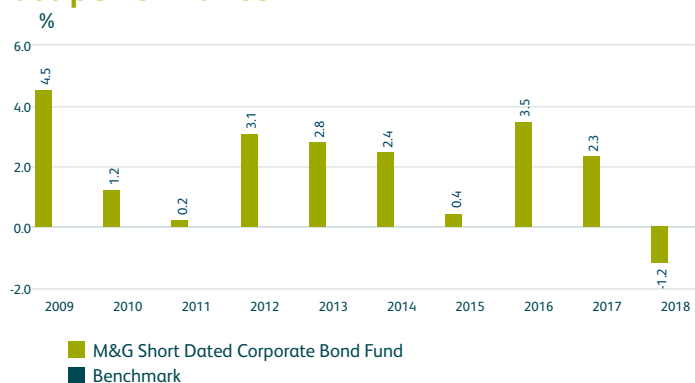
The above ongoing charge figure is an estimate of the charges because of a change to the charging structure with effect from 1 August 2019.

The ongoing charge figure may vary from year to year and excludes portfolio transaction costs. The charges are mostly, if not exclusively, the Annual Charge which may be discounted depending on the size of the fund. The Annual Charge without any discount is 0.50%. The fund's annual report for each financial year will include details on the exact charges made.

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 from 01 December 2016. 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 29 January 1993 and the Sterling Class A Income share class launched on 29 January 1993.
- Past performance is calculated using Sterling Class A Income shares.

Benchmark:

13 March 2018 to 31 December 2018 - Markit iBoxx EUR Corporates 1-3 year Index (GBP Hedged)

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 (2), 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 (2).

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 (2). 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 17 September 2019.