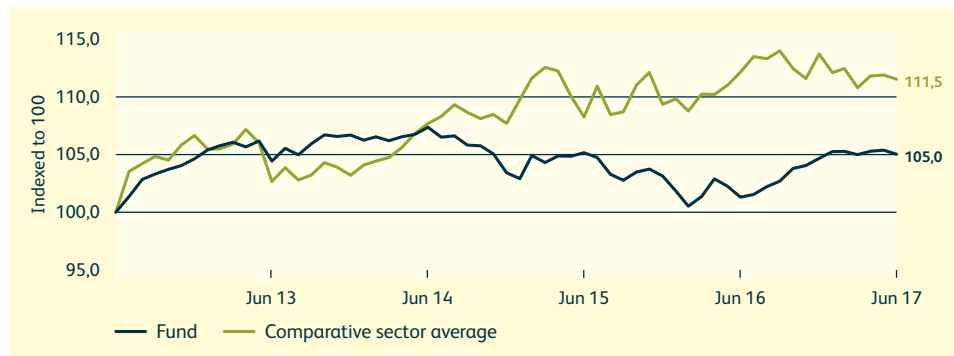


Euro Class A

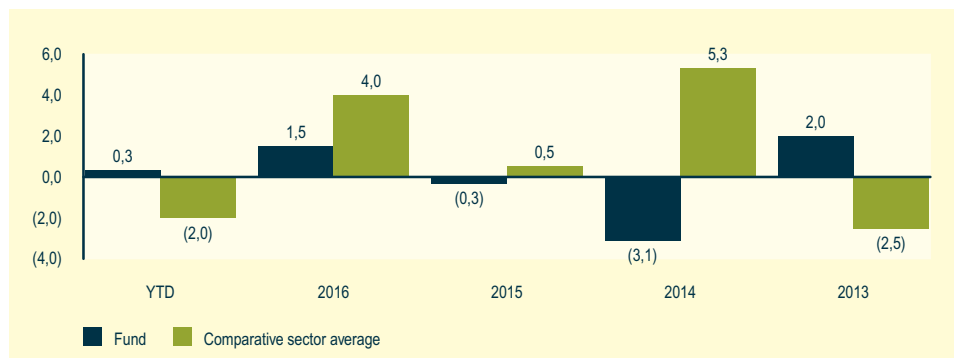
Performance over 5 years



Fund performance

	1 month (%)	3 months (%)	YTD (%)	1 year (%)	3 years (%) p.a.	5 years (%) p.a.	Since tenure (%) p.a.	Since inception (%) p.a.
Fund	-0,3	+0,0	+0,3	+3,7	-0,7	+1,0	+1,6	+1,6
Index	+0,0	+0,3	+0,6	+1,3	+0,5	+0,7	+1,3	+1,3
Sector	-0,3	+0,7	-2,0	-0,7	+0,9	+2,3	+1,7	+1,7
Ranking	13/18	15/18	1/18	1/18	17/18	14/16	9/15	9/15
Quartile ranking	3	4	1	1	4	4	3	3

Annual performance (%)



Past performance is not a guide to future performance.

The value of investments and the income from them will fluctuate. This will cause the fund price to fall as well as rise. There is no guarantee the fund objective will be achieved and you may not get back the original amount you invested.

The fund may invest more than 35% in securities issued by any one or more of the governments listed in the fund prospectus. Such exposure may be combined with the use of derivatives in pursuit of the fund objective. It is currently envisaged that the fund's exposure to such securities may exceed 35% in the German government, although these may vary subject only to those listed in the prospectus.

The fund allows for the extensive use of derivatives.

Key information

Fund manager	Jim Leaviss
Fund manager tenure from	17 September 2010
Deputy fund manager	Ben Lord
Launch date	16 September 2010
Launch of share class	16 September 2010
Fund size (millions)	€78,49
Fund type	OEIC, incorporated in the UK
Comparative sector	Morningstar EUR Inflation-Linked Bond sector
Number of issuers	73
Distribution yield (Acc)	0,36 %
Underlying yield (Acc)	0,36 %
Yield to expected maturity*	0,45 %
Modified duration (years)	0,9
Spread duration (years)	3,26
Average maturity (years)	2,15
Average coupon	1,33
Volatility†	2,77 %
Average credit rating	A-
Share type	Accumulation
Ongoing charge	1,20 %

*Source: Morningstar, three-year annualised volatility, as at 30 June 2017
 The distribution yield reflects the amounts that may be expected to be distributed over the next 12 months as a percentage of the share price, as at the date shown. It is based on a snapshot of the portfolio on that day. It does not include any preliminary charge and investors may be subject to tax on distributions. The underlying yield reflects the annualised income net of expenses of the fund (calculated in accordance with relevant accounting standards) as a percentage of the mid-market price of the fund as at the date shown. It is based on a snapshot of the portfolio on that day. It does not include any preliminary charge and investors may be subject to tax on distributions.
 †The yield to expected maturity is calculated in the valuation currency of the fund and is gross of fund expenses (including hedging differences). A fund may hold callable bonds whose yields are calculated on the basis of expected maturity.

Fund ratings

Overall Morningstar rating **★★**
 Source of Morningstar ratings: Morningstar, as at 31 May 2017
 Ratings should not be taken as a recommendation.

Asset breakdown (%)

	Net
Floating rate notes	28,3
Synthetic inflation linked	27,3
Government inflation linked	23,3
Corporate inflation linked	14,6
Fixed rate bonds	5,9
Cash	0,7

Credit rating breakdown (%)

	Physical	CDS short	CDS long	Net
AAA	38,7	0,0	0,0	11,4
AA	11,5	0,0	0,7	12,2
A	20,2	0,0	3,2	23,3
BBB	26,8	0,0	23,3	50,1
BB	1,8	0,0	0,3	2,1
B	0,3	-1,4	0,0	-1,1
CCC	0,0	0,0	0,0	0,0
CC	0,0	0,0	0,0	0,0
C	0,0	0,0	0,0	0,0
D	0,0	0,0	0,0	0,0
No rating	0,0	0,0	1,3	1,3
Cash	0,7	0,0	0,0	0,7

Where a security has not been rated by Standard & Poor's, Fitch or Moody's, we may use M&G's internal credit rating. Based on a comparison of all available ratings for each security, the most conservative rating (S&P, Fitch, Moody's or M&G's internal rating) is taken into consideration. The ratings so identified are then expressed or converted into M&G's ratings format to obtain uniform information for all securities in the portfolio.

Industry breakdown (%)

	Physical	CDS short	CDS long	Net
Sovereign	50,5	0,0	0,0	25,2
Banking	21,9	0,0	1,3	23,2
Asset Backed	4,3	0,0	0,6	5,0
Energy	1,5	0,0	3,0	4,4
Telecommunications	1,7	0,0	2,6	4,3
Mortgage Backed	3,9	0,0	0,0	3,9
Services	3,4	0,0	0,0	3,4
Utility	3,0	0,0	0,0	3,0
Healthcare	2,4	0,0	0,0	2,4
Automotive	1,6	0,0	0,6	2,2
Financial Services	1,6	0,0	0,0	1,6
Insurance	0,3	0,0	1,2	1,6
Basic Industry	0,0	0,0	1,4	1,4
Media	0,5	0,0	0,6	1,1
Quasi & Foreign Government	1,0	0,0	0,0	1,0
Capital Goods	1,0	0,0	0,0	1,0
Commercial Mortgage Backed	0,4	0,0	0,0	0,4
Real Estate	0,2	0,0	0,0	0,2
Consumer Non-Cyclical	0,1	0,0	0,0	0,1
Investment grade indices	0,0	0,0	15,3	15,3
High yield indices	0,0	-1,4	0,0	-1,4
Cash	0,7	0,0	0,0	0,7

CDS short: bought protection (short credit exposure); CDS long: sold protection (long credit exposure)

The columns may not always add up when reading across as physical bond holdings and/or cash are sometimes used as collateral for CDS exposure.

Country breakdown (%)

	Physical	CDS short	CDS long	Net
US	19,0	0,0	14,7	33,7
UK	17,7	-1,4	9,1	25,3
Germany	39,3	0,0	0,7	12,7
France	7,8	0,0	0,7	8,4
Spain	7,0	0,0	1,3	8,3
Italy	3,3	0,0	0,3	3,5
Switzerland	1,1	0,0	2,0	3,2
Netherlands	2,0	0,0	0,0	2,0
Ireland	1,5	0,0	0,0	1,5
Belgium	0,5	0,0	0,0	0,5
Other	0,3	0,0	0,0	0,3
Cash	0,7	0,0	0,0	0,7

CDS short: bought protection (short credit exposure); CDS long: sold protection (long credit exposure)

The columns may not always add up when reading across as physical bond holdings and/or cash are sometimes used as collateral for CDS exposure.

Currency breakdown (%)

	Pre-hedge	Post-hedge
Euro	77,5	95,3
British pound	12,5	2,0
US dollar	10,0	1,4
Swiss franc	0,0	1,3
Swedish krona	0,0	0,0

Maturity breakdown (%)

	Physical
0 - 1 years	31,1
1 - 3 years	25,3
3 - 5 years	24,4
5 - 7 years	8,4
7 - 10 years	4,1
10 - 15 years	3,6
15+ years	2,4
Cash	0,7

Duration breakdown by currency and asset class

	Physical	Futures	Swaps	Net
Euro	1,3	-0,6	0,0	0,7
British pound	0,4	-0,6	0,0	-0,1
US dollar	0,2	0,1	0,0	0,3
Total	1,9	-1,1	0,0	0,9

Largest issuers (excluding government bonds and CDS indices, %)

	Fund
Sncf Reseau Epic	3,3
National Grid	3,1
Nationwide	3,1
Bank of America	2,6
Wells Fargo	2,6
Morgan Stanley	2,3
Citigroup	1,8
HSBC	1,7
Energy Transfer	1,7
Verizon Communications	1,7

Fund codes and charges

Share class	ISIN	Bloomberg	Annual management charge	Ongoing charge	Minimum initial investment	Minimum top up investment
Euro A Acc	GB00B3VQKJ62	MGEUIAA LN	1,00 %	1,20 %	€1.000	€75
Euro C Acc	GB00B41DM324	MGEUICA LN	0,50 %	0,70 %	€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 March 2017.

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

Important information

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

Source of performance data: Morningstar, Inc., as at 30 June 2017, Euro Class A shares, gross income reinvested, price to price basis. Past performance is not a guide to future performance. All other statistics from M&G internal sources, as at 30 June 2017 unless indicated otherwise.

The Morningstar Overall Rating based on the fund's Euro Class A shares. Copyright © 2017 Morningstar UK Limited. All Rights Reserved. Ratings should not be taken as recommendation.

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In the Netherlands, all funds referred to are registered with the Dutch regulator, the AFM. 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 - M&G International Investments Limited, German branch, mainBuilding, Taunusanlage 19, 60325 Frankfurt am Main; the Austrian paying agent: Société Générale Vienna Branch, Zweigniederlassung Wien Prinz Eugen-Strasse, 8-10/5/Top 11 A-1040 Wien, Austria; 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; Allfunds Bank, Calle Estafeta, No 6 Complejo Plaza de la Fuente, La Moraleja, 28109, Alcobendas, Madrid, Spain; M&G International Investments Limited, the French branch; the French centralising agent of the Fund: RBC Investors Services Bank, France; or the Swedish paying agent: Nordea Bank AB (publ), Smålandsgatan 17, 105 71 Stockholm, Sweden, or the Irish facilities agent: Société Générale SA, Dublin Branch, 3rd Floor IFSC House – The IFSC Dublin 1, Ireland. 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The Portuguese Securities Market Commission (Comissão do Mercado de Valores Mobiliários, the "CMVM") has received a passporting notification under Directive 2009/65/EC of the European Parliament and of the Council and the Commission Regulation (EU) 584/2010 enabling the fund to be distributed to the public in Portugal. M&G International Limited is duly passported into Portugal to provide certain investment services in such jurisdiction on a cross-border basis and is registered for such purposes with the CMVM and is therefore authorised to conduct the marketing (comercialização) of funds in Portugal.

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