

# M&G (Ireland) ETF ICAV

(an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds with registered number C557766 and authorised by the Central Bank of Ireland pursuant to the UCITS Regulations)

## M&G European AAA CLO UCITS ETF

[●] 2025

**This Supplement describes M&G European AAA CLO Active UCITS ETF (the “Sub-Fund”), which is an open-ended sub-fund of M&G (Ireland) ETF ICAV (the “ICAV”). This Supplement forms part of the prospectus of the ICAV dated [●] 2025 (the “Prospectus”) and should be read in the context of, and in conjunction with the Prospectus. The Sub-Fund is an Actively Managed Sub-Fund**

Applicants for Shares should read and will be deemed to be on notice of all information contained in the Prospectus.

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## Key Information

Unless otherwise defined herein or unless the context otherwise requires, all defined terms used in this Supplement shall bear the same meaning as in the Prospectus.

<b>Base Currency</b>	EUR
<b>Benchmark</b>	<p>J.P. Morgan European Collateralized Loan Obligation AAA Index</p> <p>The Benchmark aims to track the performance of broadly syndicated, arbitrage Euro-denominated, AAA rated CLO debt from the flagship J.P. Morgan European CLOIE Index. The index includes more than 600 tranches managed by nearly 70 CLO managers across the AAA original rating bucket.</p> <p>The index includes: floating-rate CLO debt, broadly syndicated, arbitrage EUR CLOs and static deals.</p>
<b>Business Day</b>	A day on which commercial banks are generally open for business in [London], or such other day or days as the Directors may determine to be Business Days from time to time, as shall be notified to Shareholders in advance.
<b>Dealing Deadline</b>	[4:00pm UK time on the relevant Dealing Day.]
<b>Listing Stock Exchange</b>	[LSE or such other selected exchanges] as the Directors may determine from time to time in respect of the Sub-Fund and which are specified on the Website.
<b>Minimum Subscription Amount</b>	[EUR500,000]
<b>Minimum Redemption Amount</b>	[EUR500,000]
<b>Offer period</b>	9 am UK time on [●] 2025 to 4:30 pm on [●] 2025 or such earlier or later date as the Directors may determine and notify to the Central Bank.
<b>Settlement Deadline</b>	Cleared subscription monies must be received by the Second Business Day following the relevant Dealing Day, or such later date as may be determined by the ICAV and notified to prospective investors from time to time.
<b>Valuation</b>	The Net Asset Value per Share is calculated in accordance with the “ <i>Determination of Net Asset Value</i> ” section of the Prospectus, using closing mid prices for securities on the relevant market.
<b>Valuation Point</b>	[11pm] UK time on each Business Day.

## The Sub-Fund

The Sub-Fund is a sub-fund of the ICAV. The names of any other sub-funds of the ICAV are set out in the Prospectus.

The following Share Class is available in the Sub-Fund:

Share Class Name	Share Class Currency	Currency Hedged Share Class	Distribution Policy	Initial Offer Price	ISIN	TER
Sterling Class Acc	GBP	Yes	Accumulation	GBP [●]		0.28%
Sterling Class Dist	GBP	Yes	Distribution	GBP [●]		0.28%
Euro Class Acc	EUR	No	Accumulation	EUR [●]		0.25%
Euro Class Dist	EUR	No	Distribution	EUR [●]		0.25%
USD Class Acc	USD	Yes	Accumulation	USD [●]		0.28%
USD Class Dist	USD	Yes	Distribution	USD [●]		0.28%
JPY Class Acc	JPY	yes	Accumulation	JPY [●]		0.28%
JPY Class Dist	JPY	Yes	Distribution	JPY [●]		0.28%

## Investment Objective and Strategy

**Investment Objective.** The Sub-Fund aims to provide a higher total return (through a combination of capital growth and income) than that of the Benchmark over any 3-year period.

**Investment Policy.** The Sub-Fund invests at least 80% of its Net Asset Value in AAA-rated (rated by a nationally recognised rating agency such as Standard & Poor's, Fitch or Moody's) tranches of collateralised loan obligations ("**CLOs**").

The Sub-Fund may also invest up to 20% of its Net Asset Value in CLOs which are rated AA- or higher. In the event that a CLO is downgraded below AA-, its credit standing will be assessed as soon as possible and appropriate actions may be taken. These actions may include selling the CLO or, subject to the CLO retaining a credit rating of at least investment grade, retaining it to maturity depending on the specific circumstances; in either case, the decision will be based on what is in the best interest of the Shareholders. In considering the specific circumstances (referred to above) which may result in the Investment Manager deciding to retain a downgraded CLO to maturity, the Investment Manager will consider market conditions, CLO manager performance as well as that of underlying loan pools, and individual company performance which may impact the liquidity of the CLO and the Investment Manager will conduct further research analysis and stress testing beyond the initial tranche ratings to assess underlying loan pools across CLO holdings in the Fund as described in the section "*Security Selection*" below.

At least 80% of the CLOs in which the Sub-Fund invests in will be denominated in Euro. The Sub-Fund aims to hedge any non-Euro denominated assets back to Euro.

Investors should refer to the “*Instruments / Asset Classes*” section for a description of the CLOs in which the Sub-Fund may invest and to the “*Security Selection*” for a description of the process by which the Investment Manager will select the CLOs in which the Sub-Fund will invest.

The Sub-Fund may also invest in other collective investment schemes (including funds managed by the Investment Manager or its affiliates) which are exposed to similar assets and the Sub-Fund may hold up to 20% of its Net Asset Value in cash and near cash assets as described under the section “*Instruments / Asset Classes*”.

The Benchmark is a comparator against which the Sub-Fund’s performance can be measured. While the Investment Manager expects to outperform the Benchmark (net of fees), there is no guarantee this will occur or such outperformance may be limited or minimal at times. The Benchmark has been chosen as the Sub-Fund’s benchmark as it best reflects the scope of the Sub-Fund’s investment policy. The Benchmark is used solely to measure the Sub-Fund’s performance and does not constrain the Sub-Fund’s portfolio construction.

The Sub-Fund is actively managed. The Investment Manager has complete freedom in choosing which investments to buy, hold and sell in the Sub-Fund. Its holdings may deviate significantly from the Benchmark’s constituents and as a result the Sub-Fund’s performance may deviate significantly from the Benchmark.

### **Instruments / Asset Classes.**

The Sub-Fund invests in investment grade tranches of collateralised loan obligations (“**CLOs**”) denominated in any currency. At least 80% of the Net Asset Value will be invested in CLOs which are AAA-rated and up to 20% of the Net Asset Value may be invested in CLOs which, at the time of their purchase, are rated AA-. As outlined in the “Investment Policy” section, in the event that a CLO is downgraded below AA-, the Sub-Fund may remain invested in such a CLO provided that the CLO retains a credit rating of at least investment grade.

CLOs are a securitisation backed by a pool of typically senior-secured leveraged loans. The rights to the cashflows produced by the loan assets are split according to individual debt tranches, which are rated by an external ratings agency, before they are issued as securities in the financial markets. These debt tranches can be rated from the least risky senior, AAA tranches to potentially higher yielding and riskier single-B-rated junior notes. The coupons associated with these securities are usually floating rate in nature, referencing a rate such as Euro Interbank Offered Rate (Euribor) or the Secured Overnight Financing Rate (SOFR). Cashflows, which determine the distribution of income and principal and thus investment returns, are paid sequentially through the tranche structure, beginning with the senior noteholders with the remaining cashflows cascading down to the mezzanine and then the junior-most tranches. In contrast, principal losses/defaults flow in the opposite direction.

The Sub-Fund is subject to risk retention requirements under the European Securitisation Regulation (EU2017/2402) such that the Sub-Fund may only invest in CLOs if the originator, sponsor or original lender of the CLO has disclosed that it retains, at issuance and on an on-going basis, a material net economic interest in the CLO of at least 5%.

The Sub-Fund may also hold up to 20% of its Net Asset Value in cash and near cash assets (cash deposits, certificates of deposit, commercial paper and money market funds). Subject to the following paragraph, the Sub-Fund may hold a higher percentage of its Net Asset Value in such ancillary liquid assets following large cash flows into or out of the Sub-Fund, as it may be inefficient and contrary to Shareholders’ best interests to seek to invest cash received as subscriptions, or realise assets to meet large redemptions, solely on the relevant Dealing Day. The Sub-Fund will seek to reduce the percentage of its Net Asset Value held as ancillary liquid assets as quickly as practicable, acting in the best interests of Shareholders.

The Sub-Fund will not invest more than 10% of its Net Asset Value in other regulated, open-ended collective investment schemes, including ETFs and money market funds, as described under

“Investment in other Collective Investment Schemes” in the “Investment Objectives and Policies” section of the Prospectus.

**Security Selection.** The Investment Manager’s CLO investment process is built upon 4 key pillars used to analyse specific opportunities, namely:

1. the composition of CLO deal collateral;
2. the specific features and stress resiliency of CLO transaction structure;
3. its governing documentation; and
4. instrument relative value.

In order for a CLO transaction to be eligible for this assessment, the CLO manager must first pass the Investment Manager’s CLO due diligence screening process. The purpose of this process is to assess the scale, market access and resources of a CLO manager’s platform, to understand and interrogate their investment process, including the treatment of underperforming or problem credits, observe their portfolio management, credit analysis and trading systems, understand their approach to ESG and distil overall sector, jurisdiction and market outlook views and their CLO issuance ambitions and capacity.

- This initial due diligence phase looks to establish whether or not a CLO manager has sufficient resources, systems, processes and market access such that individual CLO transactions from the CLO manager can be considered for potential purchase. Passing this assessment does not mean a CLO manager’s transactions are automatically investable. Clearing the initial due diligence process simply allows the CLO transaction to progress to assessment across the four pillars outlined above.
- The composition of CLO transaction deal collateral: The Investment Manager conducts analysis of the underlying collateral in a CLO transaction on a line-by-line basis. This includes incorporating credit views collected during its continual dialogue with CLO managers, during both new issue road shows and regular monitoring calls. These views are dynamic and can change with market conditions and individual company financial performance. Collateral analysis is also supplemented by insights provided by the Investment Manager’s leveraged finance team which provide views on market dynamics such as primary market leveraged buyout (“LBO”) deal quality and trends in loan repayments, defaults and recoveries. The Investment Manager utilises a proprietary CLO Portfolio Management and Risk Tool, CYCLO, which allows it to interrogate CLO transaction collateral quality in real-time. This allows the Investment Manager to assess CLO transaction collateral, identifying tail risk exposures and to monitor CLO manager activity and potential sources of prepayments and defaults.
- The specific features and stress resiliency of CLO transaction structures: The Investment Manager conducts stress testing on CLO transactions, including front loaded elevated defaults and also significant credit rating downgrade scenarios, to assess the structural protection provided by credit enhancement and CLO transaction coverage tests. The Investment Manager also considers the potential volatility of underlying CLO tranche ratings in these scenarios. The Investment Manager assesses the impact of structural nuances such as reinvestment periods (static, short and standard duration), the length of non-call protection (the time period for which the deal is protected from being refinanced) and the presence of any special cashflow features, such as turbo tranches or the insertion of make-whole provisions.
- CLO transaction documentation: CLO transaction documentation can vary significantly even across deals from the same CLO manager. The Investment Manager will focus on compliance with regulations and risk retention, extension risk, the ability to amend tests (e.g. weighted average life “WAL” test) and cash leakage through passing investment gains to equity tranche holders. The Investment Manager has streamlined the key documentation review process and incorporated it within its risk management tool, CYCLO, so that deals can be assessed both on credit as well as qualitative risks.

- **Instrument relative value:** Supported by the analysis and conclusions from the first three pillars, a fully informed relative value decision is reached by the Investment Manager. This process includes a recognition of the relative quality of the CLO transaction against recent new issues and also prevailing secondary market spread levels. At the same time, the Investment Manager will consider instrument liquidity expectations and fund specific guidelines into its views on appropriate position sizing.

**Use of Financial Derivative Instruments.** In addition, the Sub-Fund may use financial derivative instruments (“FDI”) for efficient portfolio management purposes and to hedge exposures from the Sub-Fund’s investments. Any use of FDI by the Sub-Fund shall be limited to (i) spot and forward contracts, (ii) options, (iii) exchange traded futures, (iv) credit default swaps and (iv) interest rate swaps. FDI are described under “*Use of Financial Derivative Instruments*” in the “*Investment Objectives and Policies*” section of the Prospectus.

The Sub-Fund’s global exposure is subject to a risk management process which, in compliance with the UCITS Regulations, aims to ensure that on any day the absolute Value at Risk (“VAR”) of the Sub-Fund will be no greater than 10%. The VaR of the Sub-Fund is a daily estimation of the maximum loss which the Sub-Fund may incur over a 20 Business Day holding period and is arrived at through quantitative simulations with a 99% one tailed confidence interval and using an historical observation period of at least 250 Business Days. This process is described in detail in the Manager’s RMP in respect of the ICAV. While the Sub-Fund measures and monitors its global exposure using the absolute VaR approach, the expected level of leverage of the Sub-Fund using the sum of notionals approach is expected to be up to 100% of its Net Asset Value as a result of its use of FDI, although investors should note that higher levels of leverage may be experienced.

**Securities Financing Transactions.** The Sub-Fund will have no exposure to securities lending, total return swaps, repurchase agreements or reverse repurchase agreements.

**Portfolio Holding Disclosure Policy.** The Sub-Fund will publicly disclose its complete holdings on a daily basis. Details of the Sub-Fund’s holdings and full disclosure policy may be found at [www.mandg.com](http://www.mandg.com).

**SFDR and the Taxonomy Regulation.** The Manager has classified the Sub-Fund as an Article 6 Fund pursuant to SFDR. This means that the Sub-Fund does not promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 of the SFDR or have sustainable investment as its objective in a way that meets the specific criteria contained in Article 9 of SFDR.

For the same reason, the Sub-Fund is not subject to the requirements of the EU Taxonomy Regulation. The Sub-Fund’s underlying investments do not take into account the EU criteria for environmentally sustainable economic activities.

**Sustainable Finance.** The Sub-Fund is categorised as ESG Integrated, as defined in in the “*Investment Objectives and Policies*” section of the Prospectus. The Investment Manager does not systematically consider the adverse impacts of its investment decisions on Sustainability Factors.

For the investments held in the Sub-Fund, the Investment Manager takes into consideration sustainability risks when taking investment decisions. Sustainability risks are defined as ESG factors that, if they occur, could cause an actual or a potential material negative impact on the value of an investment and/or returns from that asset. The Investment Manager identifies such sustainability risks and integrates them into its investment decision making and risk monitoring to the extent that they represent actual or potential material risks and/or opportunities to the long-term risk-adjusted returns of the Sub-Fund.

To ensure that the Investment Manager has the resources available to it to enable it to analyse a proposed investment from a sustainability risk perspective, the portfolio managers and investment teams within the Investment Manager can access data provided by leading ESG data providers in

addition to proprietary research and analysis. This includes access a number of ESG metrics, including carbon footprint, controversy scores and principal adverse impacts, to ensure that the Investment Manager can assess such risks. This approach ensures that the Investment Manger understands relevant sustainability risks which may be faced by its investments and this process forms a part of the investment decision making process.

The following types of sustainability risks are likely to impact the return of the Sub-Fund:

- **Environmental Risks:** The underlying corporate borrowers in CLO transactions may face risks related to climate change (e.g., carbon regulation or physical risks), resource scarcity, and increased environmental compliance costs. If the underlying borrowers are exposed to high-emission or environmentally sensitive sectors, environmental risks can manifest as credit deterioration, potentially affecting CLO transaction cash flows and valuations
- **Social Risks:** The underlying portfolio companies in CLO transactions may be exposed to social risks such as labour practices, supply chain issues, health and safety violations, human rights controversies, and customer data privacy concerns. Poor management of these aspects can lead to legal sanctions, reputational harm, and operational disruptions, which may impair borrowers' ability to service loans, ultimately affecting CLO performance.
- **Governance Risks:** Governance risks related to the borrowers, such as weak board oversight, management misconduct, lack of transparency, or significant regulatory penalties, may impact the creditworthiness of the underlying loans. Additionally, the CLO transaction structure itself is exposed to governance risks including conflicts of interest, complexity of structures, and reliance on the integrity and decision-making of CLO managers.

These sustainability risks have been assessed as likely to have the following impacts on the returns from investments held by the Sub-Fund:

- Sustainability risks could affect a borrower's cash flow and their capacity to meet debt obligations, depending on the nature and ESG profile of the underlying collateral. AAA CLOs are the senior-most tranches, generally benefiting from structural protections, high credit enhancement, and diversification. However, systemic ESG events affecting a broad set of portfolio companies—such as sector-wide changes in regulation, environmental disasters, widespread human capital issues, or significant corporate governance failures—can have a cascading effect, potentially impacting even senior tranches.
- Other financial investments or exposures such as cash, near cash, money market instruments, foreign exchange rates and interest rates: Sustainability risks impacting sovereigns and other government related issuers, and corporate issuers of money market instruments and near cash are similar to those affecting fixed income securities in terms of credit quality, pricing and/or the value of currencies. The placement of cash with counterparties and the receipt of collateral is also subject to sustainability risks which may impact the ability of the counterparty to meet its obligations, its capacity to offer cash placement and the value of collateral received. Sustainability risks impacting sovereigns or markets for which sovereigns consider themselves responsible may also affect foreign exchange rates and interest rates for currencies associated with such sovereign.
- Derivatives: the factors described above can also affect the performance of a derivative, as derivative contracts are typically expressed by reference to one of the assets above as their "underlying exposure". Such underlying exposure may be impacted by the sustainability risks described above that may impact the cash flows of the derivative transaction. The counterparties to derivatives may also be subject to sustainability risks which may impact the ability of the counterparty to meet its obligations of the underlying contract, which is usually reflected through its credit rating. The Investment Manager uses a number of third party data providers such as credit rating agencies to identify sustainability risks and the potential impact on counterparties. Information on sustainability risks revealed by this research is incorporated in the Investment Manager's credit analysis and investment decisions process.
- Collective investment schemes: the factors described above can also affect the performance of a collective investment scheme providing exposure to such asset class. In addition, sustainability risks may impact the manufacturer of the collective investment scheme, reducing its ability to perform its obligations for such financial product.

The Investment Manager has assessed the likely impacts of sustainability risks on the returns of the Sub-Fund and has determined that sustainability risks are not likely to, but may, increase the Sub-Fund's volatility and / or magnify pre-existing risks to the Sub-Fund and may have a significant negative impact on the value of the portfolio. Sustainability risk may be particularly acute if it occurs in an unanticipated or sudden manner and it may also cause investors to reconsider their investment in the Sub-Fund and create further downward pressure on the value of the Sub-Fund.

## Investment Risks

Investment in the Sub-Fund carries with it a degree of risk including the risks described in the “*Risk Information*” section of the Prospectus. These risks are not intended to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before purchasing Shares. In particular, investors should refer to the following risks as set out in the Prospectus:

- Capital & income will vary
- Credit
- Interest rate
- Liquidity
- Counterparty
- Market
- Collateralised Loan Obligations
- ESG data
- Investments exclusion
- Derivative instruments

## Investor Profile

The Sub-Fund is suitable only for professional, institutional and retail investors, with “Advanced” knowledge within the meaning of the European MiFID template, seeking to invest in an actively managed fund pursuing the objective and investment policy of the Sub-Fund as described above.

The Sub-Fund is not suitable for “Basic Investors” within the meaning of the European MiFID template. Basic investors are those who have basic knowledge of relevant financial instruments and no financial industry experience. Accordingly, the sale of this Sub-Fund on the secondary market to Basic Investors is not permitted and the Sub-Fund will not be offered to retail Investors on an execution only basis.

There is no guarantee that the Sub-Fund will achieve its objective and investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise. In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Sub-Fund and investors should be looking to invest for at least five years

## Subscriptions – Primary Market

The Shares will be available during the Offer Period at the Initial Offer Price per Share set out above under “*The Sub-Fund*”.

After the Closing Date, Shares will be issued on each Dealing Day at the appropriate Net Asset Value per Share with an appropriate provision for Duties and Charges in accordance with the provisions set out below and in the Prospectus. Investors may subscribe for Shares for cash or in kind on each Dealing Day by making an application by the Dealing Deadline in accordance with the requirements set out below and in the “*Purchase and Sale Information*” section of the Prospectus. Consideration, in the form of cleared subscription monies/securities, must be received by the applicable Settlement Deadline.

Investors should note that the Minimum Subscription Amount only applies to transactions on the Primary Market and that Secondary Market investors can purchase Shares in any amounts that are provided for by the relevant stock exchange.

## Redemptions – Primary Market

Shareholders may redeem Shares on any Dealing Day at the appropriate Net Asset Value per Share, subject to an appropriate provision for Duties and Charges, provided that a valid redemption request from the Shareholder is received by the Administrator by the Dealing Deadline in respect of the relevant Dealing Day, in accordance with the provisions set out in this section and at the “*Purchase and Sale Information*” section of the Prospectus. Settlement will take place within a maximum of ten Business Days of the Dealing Day.

Investors should note that the Minimum Redemption Amount only applies to transactions on the Primary Market and that Secondary Market investors can sell Shares in any amounts that are provided for by the relevant stock exchange.

## Fees and Expenses

The TER for each Class set out in the table in “*The Sub-Fund*” section above.

Further information in this respect is set out in the “*Fees and Expenses*” section of the Prospectus.

## Distributions

Share Classes whose name contains “Acc” are Accumulation Share Classes and Share Classes whose name contains “Dist” are Distribution Share Classes.

The Directors have determined to accumulate all net investment income and net realised capital gains attributable to all Accumulation Share Classes and therefore do not intend to declare dividends in respect of Shares in such Share Classes.

The Directors may declare dividends, in respect of Shares in any Distribution Share Class in accordance with the provisions set out in the “*Dividend Policy*” section of the Prospectus. Dividends for the Distribution Share Classes may be declared and paid quarterly, except where the Directors in their sole discretion, determine not to pay a dividend on any given distribution date. It is expected that distributions for Distribution Share Classes will be declared and paid on or around the final Business Day of each quarter;

The distribution policy of any Share Class may be changed by the Directors, upon reasonable notice to Shareholders and, in such circumstances, the distribution policies will be disclosed in an updated Prospectus and/or Supplement.

## Listing

Application has been made for the Shares to be admitted to trading on the regulated market of LSE and such Shares are expected to be admitted to listing on or about [●] 2025.