



**M&G (Lux) Optimal Income Fund**  
Optimising the flexibility

## Optimal possibilities

A global, flexible bond fund with a history of attractive income that invests in the three main fixed income asset classes: government bonds, investment grade and high yield.



### Flexible

- Dynamic allocation across government, investment grade (IG) and high yield (HY)
- Seek optimal mix of duration and credit allocation in any environment



### Global

- Diversified across sectors and issuers
- Over 250 distinct issuers in 25 countries and 18 sectors



### Active yet simple

- Actively managed, combining macroeconomic views and bottom-up security selection
- Hedged back to base currency to mitigate foreign exchange risk



### Outstanding

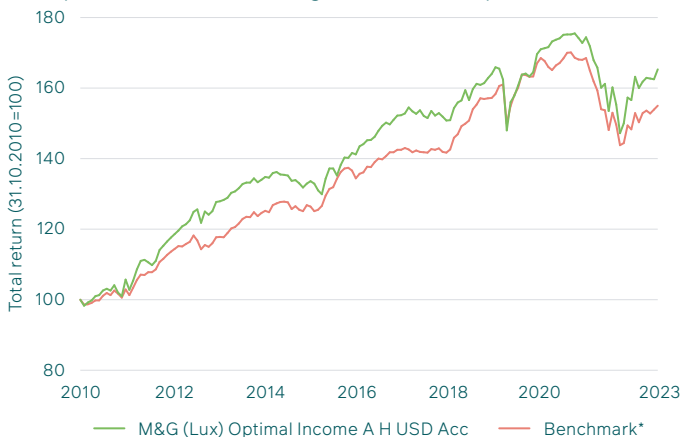
- Consistent long-term performance
- First or second quartile rankings across all time periods
- Managed by experienced investment professionals

## Optimal outcomes

Through a consistent and active investment process, the fund has delivered positive returns and outperformed the composite benchmark over different time periods.

### Long-term performance since fund inception

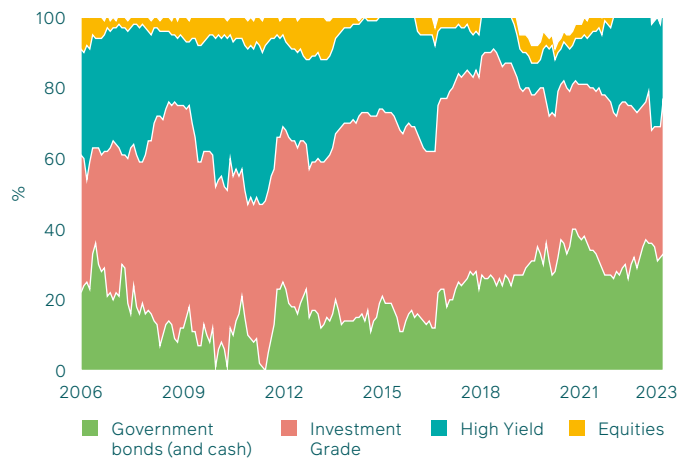
Past performance is not a guide to future performance



## Optimal sector allocation

An investment approach that is truly global, investing across a diverse mix of bonds primarily from developed markets, as well as active security selection and allocation within the major fixed income sectors.

### Flexible allocation since inception

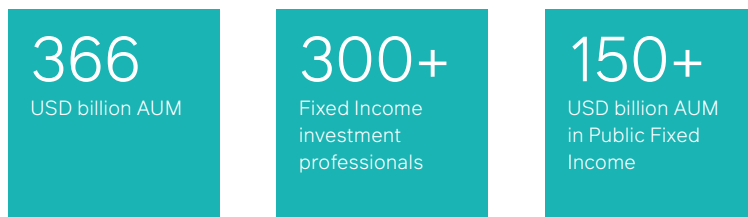


Performance	1 year	3 years pa	5 years pa	10 years pa	YTD	2022	2021	2020	2019	2018
M&G (Lux) Optimal Income Fund Class A H USD Acc	3.2%	0.3%	1.5%	2.8%	5.5%	-10.2%	2.0%	3.1%	9.9%	-1.2%
Benchmark*	1.3%	-1.8%	n/a	n/a	4.5%	-12.0%	0.0%	6.5%	11.0%	n/a
Morningstar USD Cautious Allocation	1.1%	0.1%	1.5%	1.9%	4.5%	-11.2%	3.1%	5.6%	10.0%	-3.8%

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. Source: M&G Investments, as at 31 July 2023. The M&G (Lux) Optimal Income Fund is a highly flexible bond fund that can invest across government, corporate and high yield bond sectors. Each sector has a different level of investment risk, including duration and credit risk, and the fund is subject to these risks given its flexible investment strategy. The benchmark is a comparator used solely to measure the fund's performance and reflects the scope of the fund's investment policy but does not constrain portfolio construction. The fund is actively managed. The fund's holdings may deviate significantly from the benchmark's constituents. The benchmark is not an ESG benchmark and is not consistent with the ESG Criteria. Source: Morningstar Inc., Morningstar Wider Universe, as at 31 July 2023, US dollar A-H class shares, income reinvested, price-to-price. US dollar A-H class shares, performance prior to 5 September 2018 is that of the USD A-H share class of the M&G Optimal Income Fund (which launched on 1 October 2010), and which merged into this fund on 8 March 2019. Tax rates and charges may differ. \*1/3 Bloomberg Global Agg Corporate Index USD Hedged; 1/3 Bloomberg Global High Yield Index USD Hedged; and 1/3 Bloomberg Global Treasury Index USD Hedged. The composite index was introduced as the fund's benchmark on 7 September 2018.

## Optimal team

M&G Investments is one of the largest asset managers in Europe. Founded in 1901, we have a long history of innovation in fixed income, with extensive in-house research capabilities and comprehensive range of fixed income strategies.



Managed by the long-term stability and longevity of the fund's portfolio management team.



**Richard Woolnough**  
Fund Manager  
35 years' industry experience  
19 years with M&G Investments



**Stefan Isaacs**  
Deputy Fund Manager  
21 years' industry experience  
21 years with M&G Investments



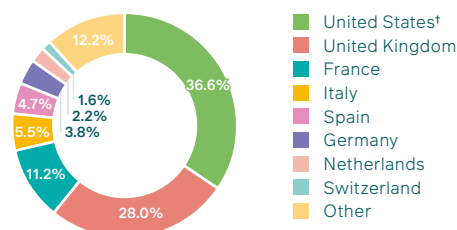
Source: M&G Investments, as at 31 December 2022.

## Key fund facts

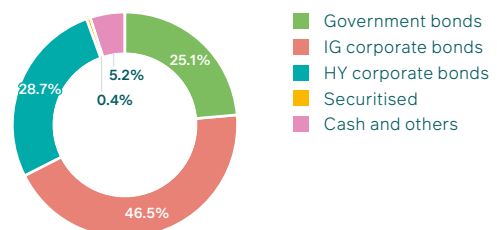
Distribution share class	Bloomberg code	ISIN	Dividend frequency	Dividend yield*
USD A-H M Dis	MOIUAHM LX	LU1670725693	Monthly	4.83%
USD A-H M F Dis	MGLOIAH LX	LU2135367709	Monthly	5.97%
SGD A-H M Dis	MOISAHM LX	LU1670725008	Monthly	4.91%
HKD A-H M Dis	MGOHAHD LX	LU1959279446	Monthly	4.86%



### Country allocation



### Sector breakdown



Source: M&G Investments, as at 31 July 2023. Source of Morningstar ratings: Morningstar, as at 31 July 2023. Based on USD Class A-H Accumulation shares.

**Ratings should not be taken as a recommendation.** 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.

\*The share classes above intend to declare and pay dividends. Dividend amount/distribution is not guaranteed. The dividend yield is the annualised gross distribution of a share class, as a percentage of the share class NAV on the last day of the month or the ex-dividend date. It is based on a snapshot of the portfolio on that day and is calculated in the table below = (payout/NAV) x12 for monthly distributions. It does not include any preliminary charge and investors may be subject to tax on distributions. \*Includes cash exposure and derivatives.

For more information on the financial terms used in this article, please consult the glossary <https://www.mandg.com/investments/private-investor/en-sg/glossary>.

#### **The main risks associated with this fund**

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. High yield bonds usually carry greater risk that the bond issuers may not be able to pay interest or return the capital. 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 will incur a loss. The fund's use of derivatives may be extensive and exceed the value of its assets (leverage). This has the effect of magnifying the size of losses and gains, resulting in greater fluctuations in the value of the fund. Investing in emerging markets involves a greater risk of loss due to greater political, tax, economic, foreign exchange, liquidity and regulatory risks, among other factors. There may be difficulties in buying, selling, safekeeping or valuing investments in such countries. 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. Investing in this fund means acquiring units or shares in a fund, and not in a given underlying asset such as building or shares of a company, as these are only the underlying assets owned by the fund. Further risk factors that apply to the fund can be found in the fund's Prospectus.

#### **Investment Policy**

The fund invests at least 50% of its Net Asset Value in debt securities, including investment grade bonds, high yield bonds, unrated securities and asset-backed securities. These securities may be issued by governments and their agencies, public authorities, quasisovereigns, supranational bodies and companies. Issuers of these securities may be located in any country, including emerging markets, and denominated in any currency. At least 80% of the Net Asset Value will be in EUR or hedged into EUR. While the fund's overall duration will not be negative, the fund may derive negative duration from individual fixed income markets. The fund may invest up to a combined maximum of 100% of the fund's Net Asset Value in below investment grade and unrated securities. There are no credit quality restrictions with respect to the debt securities in which the fund may invest. The fund may invest in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market. The fund may also hold up to a maximum of 20% of its Net Asset Value in contingent convertible debt securities and up to a maximum of 20% of its Net Asset Value in asset backed securities. The fund is a flexible bond fund that allows investment across a broad range of fixed income assets according to where the Investment Manager finds value. In identifying the optimal income stream, the fund also has the flexibility to invest up to a maximum of 20% of its Net Asset Value in equities.

#### **Important Information**

M&G (Lux) Optimal Income Fund is a sub-fund of M&G (Lux) Investment Funds 1, an open-ended investment company established in Luxembourg which is available for sale in certain jurisdictions only. M&G (Lux) Investment Funds 1 has appointed M&G Investments (Singapore) Pte. Ltd. as its Singapore representative and agent for service of process. This document is for informational purposes only and does not constitute an offer or solicitation to purchase or sell units in the fund. Investment involves risk. Past performance is not necessarily a guide to future performance or returns. The value of investments and the income from them can fluctuate and is not guaranteed. Rates of exchange may cause the value of investments to go up or down. Investors may not get back the amount they invest.

**Subscriptions in the fund are valid only if made on the basis of the current Prospectus and the Product Highlights Sheet** available on our website [www.mandg.com/investments/sg](http://www.mandg.com/investments/sg) and you must read these documents before deciding whether to invest. Investors may wish to seek advice from a financial adviser before purchasing shares of the fund. In the event that they choose not to seek independent financial advice, they should consider carefully whether the fund is suitable for them. Issued by M&G Investments (Singapore) Pte. Ltd. (Co. Reg. No. 201131425R). **This advertisement or publication has not been reviewed by the Monetary Authority of Singapore. SEP 23 / 1044501**