

Fund Profile

M&G (Lux) Optimal Income Fund

A dynamic and flexible approach across the fixed income spectrum

Fund philosophy

The M&G (Lux) Optimal Income Fund takes its name from the manager's aim to purchase those assets that provide the most attractive, or 'optimal', income stream for the fund. The fund's unconstrained approach gives Richard Woolnough the possibility to move freely between government bonds, investment grade and high yield corporate bonds. He can also invest in equities when a company's shares appear more attractive than its debt.

Richard actively manages the fund by combining a top-down macroeconomic approach with rigorous bottom-up credit analysis.

The fund manager's preferences for duration and credit risk will depend on his outlook for interest rates, economic growth and inflation. The fund's flexibility enables Richard to position the portfolio exactly in line with his duration and credit views.

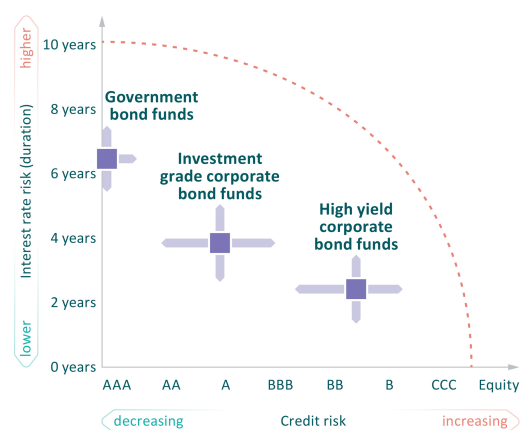
The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

Fund's key selling points

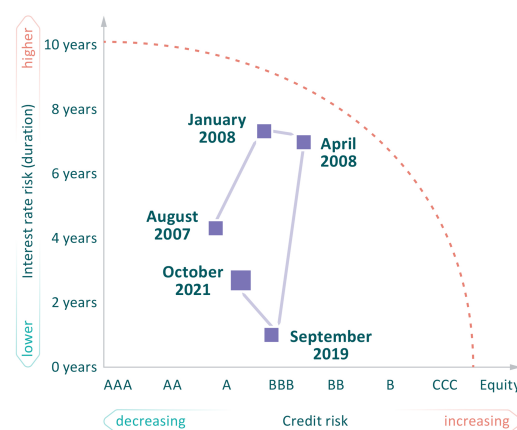
- A 'core' bond fund that seeks to outperform the major bond sectors in different market conditions.
- Classified as Article 8 fund under EU Sustainable Finance Disclosure Regulation (SFDR), the fund applies an ESG positive tilt and norms-based exclusions (see next page).
- Richard Woolnough has the flexibility to invest across the fixed income spectrum, and can even invest a portion of the fund (max. 20%) in equities.
- Richard has more than 30 years of experience in the fixed income market. Over that time his skill and expertise have been widely recognised.

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.

Investment scope*



Portfolio positioning in practice



Duration positions shown above prior to September 2018 are those of M&G Optimal Income Fund, a UK-authorized OEIC, managed by the same fund manager, applying the same investment strategy as the SICAV. These are shown for illustrative purposes only. *See table on next page.

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.

UCITS HAVE NO GUARANTEED RETURN AND PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE



Richard Woolnough
Fund Manager

"This is the most flexible bond strategy I manage. It allows me the freedom to search out the most attractive income streams across a range of fixed income assets in order to optimise performance throughout the economic cycle."

Fund Facts

31 Oct. 2021	€13.858,53 million
--------------	--------------------

Fund launch date:
5 September 2018

Benchmark*:
1/3 Bloomberg Barclays Global Agg Corporate Index EUR Hedged;
1/3 Bloomberg Barclays Global High Yield Index EUR Hedged;
1/3 Bloomberg Barclays Global Treasury Index EUR Hedged

Sector:
Morningstar EUR Cautious Allocation – Global sector

EUR A share class

ISIN (Acc): LU1670724373
ISIN (Dist): LU1670724456

Initial charge: Max. 4,00%
AMC: 1,25 %
Ongoing charge:** 1,34%

SFDR classification: Article 8

Source of fund facts: M&G as at 31.10.21.

*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.

**The ongoing charge is based on estimated expenses as at 30.04.21.

*Norms-based Criteria

ESG Criteria	Rationale
Freedom House	Any government bond from countries classified as "Not Free" by the Freedom House index based on civil liberties and political rights
UNGC	Any company that is assessed to be in breach of the United National Global Compact Principles on human rights, labour, environment protection and anti-corruption

Source: M&G.



The fund's Environmental, Social and Governance (ESG) positive tilt is achieved by maintaining a weighted average ESG score above the average ESG score of the fund benchmark.

ESG information from third-party data providers may be incomplete, inaccurate or unavailable. There is a risk that the investment manager may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the portfolio of the fund.

The fund allows for the extensive use of derivatives.

UCITS HAVE NO GUARANTEED RETURN AND PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE

Find out more

 [mandg.com](https://www.mandg.com)
bondvigilantes.com
 [@bondvigilantes](https://twitter.com/bondvigilantes)



For Investment Professionals and Institutional Investors only. Not for onward distribution. No other persons should rely on any information contained within. Distribution of this document in or from Switzerland is not permissible with the exception of the distribution to Qualified Investors according to the Swiss Collective Investment Schemes Act, the Swiss Collective Investment Schemes Ordinance and the respective Circular issued by the Swiss supervisory authority ("Qualified Investors"). Supplied for the use by the initial recipient (provided it is a Qualified Investor) only. In Spain the M&G Investment Funds are registered for public distribution under Art. 15 of Act 35/2003 on Collective Investment Schemes as follows: M&G (Lux) Investment Funds 1 reg. no 1551. The collective investment schemes referred to in this document (the "Schemes") are open-ended investment companies with variable capital incorporated in Luxembourg. In the Netherlands, all funds referred to are UCITS and registered with the Dutch regulator, the AFM. M&G Luxembourg S.A. is the manager of the UCITS referred to in this document. Registered Office: 16, boulevard Royal, L-2449, Luxembourg. 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 English or your local language (unless specified below) in paper form, from one of the following – M&G International Investments S.A., 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 Danmark, Filial af Nordea Bank Abp, Finland, Issuer Services, Postbox 850, Reg.no. 5528, DK-0900 Copenhagen C; Allfunds Bank, Calle Estafeta, No 6 Complejo Plaza de la Fuente, La Moraleja, 28109, Alcobendas, Madrid, Spain; M&G International Investments S.A. or its 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. For Switzerland, please refer to by M&G International Investments Switzerland AG, Talstrasse 66, 8001 Zurich or Société Générale, Paris, Zurich Branch, Talacker 50, P.O. Box 5070, 8021 Zurich, which acts as the Swiss representative of the Schemes (the "Swiss Representative") and acts as their Swiss paying agent. For Italy, they can also be obtained on the website: www.mandgitalia.it. For the Netherlands, they are available online at www.mandg.com/investments/nl and for more information concerning the Key Investor Information Document, please refer to www.afm.nl/ebi. For Ireland, they are available in English language and can also be obtained from the Irish facilities agent, Société Générale SA, Dublin Branch, 3rd Floor IFSC House – The IFSC Dublin 1, Ireland. For Germany and Austria, copies of the Instrument of incorporation, annual or interim Investment Report, Financial Statements and Prospectus are available in English and the Prospectus and Key Investor Information Document/s are available in German. For Greece, they are available in English, except the Key Investor Information Document/s which is available in Greek, from the Greek Representative: Eurobank Ergasias S.A. 8, Othonos Street, 10557 Athens. **Before subscribing investors should read the Prospectus**, which includes a description of the investment risks relating to these funds. The value of the assets managed by the funds may greatly fluctuate as a result of the investment policy. M&G International Investments S.A. may terminate arrangements for marketing under the new Cross-Border Distribution Directive denotification process. The information contained herein is not a substitute for independent investment advice. Complaints handling information is available in English or your local language from Luxembourg: www.mandg.com/investments/professional-investor/en-lu/complaints-dealing-process; Ireland: www.mandg.com/investments/professional-investor/en-ie/complaints-dealing-process; Belgium: www.mandg.com/investments/professional-investor/en-be/complaints-dealing-process; Denmark: www.mandg.com/investments/professional-investor/en-dk/complaints-dealing-process; Norway: www.mandg.com/investments/professional-investor/en-no/complaints-dealing-process; Netherlands: www.mandg.com/investments/professional-investor/en-nl/complaints-dealing-process; Sweden: www.mandg.com/investments/professional-investor/en-se/complaints-dealing-process; Finland: www.mandg.com/investments/professional-investor/en-fi/complaints-dealing-process; Austria: www.mandg.com/investments/professional-investor/de-at/complaints-dealing-process; Germany: www.mandg.com/investments/professional-investor/de-de/complaints-dealing-process; Greece: www.mandg.com/investments/private-investor/en-gr/complaints-dealing-process; Spain: www.mandg.com/investments/professional-investor/es-es/complaints-dealing-process; Italy: www.mandg.com/investments/professional-investor/it-it/complaints-dealing-process; Portugal: www.mandg.com/investments/private-investor/pt-pt/complaints-dealing-process; France: www.mandg.com/investments/professional-investor/fr-fr/complaints-dealing-process. This financial promotion is issued by M&G International Investments S.A. Registered Office: 16, boulevard Royal, L-2449, Luxembourg. 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.