

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 invest in 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.

Key features of the fund

- A 'core' bond fund that seeks to outperform the major bond sectors in different market conditions while applying ESG criteria.
- Richard has the full flexibility to actively invest across the entire fixed income spectrum - and sometimes invest a portion of the fund in equities.
- An Article 8 fund under EU Sustainable Finance Disclosure Regulation (SFDR), the fund applies an exclusionary approach (see next page).
- The fund promotes environmental/social characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments.
- Richard has more than 30 years of investment experience in fixed income. Over that time his skill and expertise have been widely recognised.



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

Fund launch date:

5 September 2018*

Benchmark**:

1/3 Bloomberg Global Agg Corporate Index EUR Hedged; 1/3 Bloomberg Global High Yield Index EUR Hedged; 1/3 Bloomberg Global Treasury Index EUR Hedged

Sector:

Morningstar EUR Cautious
Allocation - Global

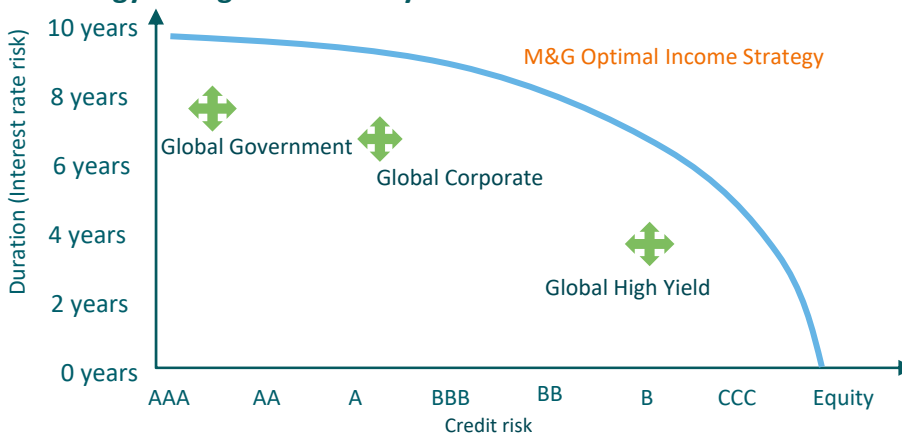
SFDR classification: Article 8

Source of fund facts: M&G as at 30.11.2023


* The Optimal Income strategy was launched in 2007. Some assets from the UK-domiciled fund were transferred to this Luxembourg-domiciled SICAV upon launch in 2018.

**The benchmark is a comparator used solely to measure the fund's performance and does not constrain portfolio construction. The benchmark has been chosen as it best reflects the scope of the fund's investment policy. The fund is actively managed. The investment manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents.


A strategy with great flexibility



There is no guarantee that strategy objectives will be met.

Duration	
	<ul style="list-style-type: none"> • Minimum portfolio duration = 0 years • Flexibility to establish short duration positions in currency areas

Currency	
	<ul style="list-style-type: none"> • Usually fully hedged to euro • Can take currency position if a big distortion exits

Equity	
	<ul style="list-style-type: none"> • 0-20% equity exposure • Neutral position 0% equity • Average historical exposure 5%

Credit Quality	
	<ul style="list-style-type: none"> • Investment across a broad range of fixed assets • No restrictions on credit quality

Source: M&G. For illustrative purposes only.

Exclusions criteria

Norms-based exclusions		Sector/values-based exclusions*		
Good governance	Any investment that is assessed to be in breach of the Investment Manager's good governance tests.			
	Any company that is assessed to be in breach of the United Nations Global Compact Principles on human rights, labour, environment protection and anti-corruption			

* Maximum thresholds for revenue derived may apply to some of these activities. Further details can be found in the fund's ESG Criteria document on our website.

Key fund risks:

- 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 can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.
- 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.

Further details of the risks that apply to the fund can be found in the fund's Prospectus.

The views expressed in this document should not be taken as a recommendation, advice or forecast.

Investing involves risk, including the loss of principal.

This is a marketing communication. Please refer to the Prospectus and the KID before making any final investment decision.

Other important information:

The fund allows for the extensive use of derivatives.

Investing in this fund means acquiring units or shares in a fund, and not in a given underlying asset such as a building or shares of a company, as these are only the underlying assets owned by the fund.

An explanation of the terms used in this document can be found on the glossary on our websites:

US Offshore: <https://www.mandg.com/investments/professional-investor/en-us-offshore/glossary>

Latam: <https://www.mandg.com/investments/professional-investor/en-latam/glossary>

The fund's sustainability-related disclosures can be found here:

US Offshore: <https://www.mandg.com/investments/professional-investor/en-us-offshore/funds/mg-lux-optimal-income-fund/lu1670725347>

Latam: <https://www.mandg.com/investments/professional-investor/en-latam/funds/mg-lux-optimal-income-fund/lu1670725347>

Find out more



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Canada: M&G Funds are not registered for distribution in Canada. M&G cannot accept any subscriptions into its Funds from investors resident in Canada.

Chile: ESTA OFERTA PRIVADA SE INICIA EL DÍA 30.11.23 Y SE ACOGE A LAS DISPOSICIONES DE LA NORMA DE CARÁCTER GENERAL Nº 336 DE LA SUPERINTENDENCIA DE VALORES Y SEGUROS (HOY, COMISIÓN PARA EL MERCADO FINANCIERO); ESTA OFERTA VERSA SOBRE VALORES NO INSCRITOS EN EL REGISTRO DE VALORES O EN EL REGISTRO DE VALORES EXTRANJEROS QUE LLEVA LA COMISIÓN PARA EL MERCADO FINANCIERO, POR LO QUE TALES VALORES NO ESTÁN SUJETOS A LA FISCALIZACIÓN DE ÉSTA; POR TRATAR DE VALORES NO INSCRITOS NO EXISTE LA OBLIGACIÓN POR PARTE DEL EMISOR DE ENTREGAR EN CHILE INFORMACIÓN PÚBLICA RESPECTO DE LOS VALORES SOBRE LOS QUE VERSA ESTA OFERTA; ESTOS VALORES NO PODRÁN SER OBJETO DE OFERTA PÚBLICA MIENTRAS NO SEAN INSCRITOS EN EL REGISTRO DE VALORES CORRESPONDIENTE.

Republic of Colombia: This document does not constitute a public offer in the Republic of Colombia. The offer of the fund is addressed to less than one hundred specifically identified investors. The fund may not be promoted or marketed in Colombia or to Colombian residents, unless such promotion and marketing is made in compliance with Decree 2555 of 2010 and other applicable rules and regulations related to the promotion of foreign funds in Colombia. The distribution of this document and the offering of shares may be restricted in certain jurisdictions. The information contained in this document is for general guidance only, and it is the responsibility of any person or persons in possession of this document and wishing to make application for shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for shares should inform themselves of any applicable legal requirements, exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

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Uruguay: The shares must not be offered or sold to the public in Uruguay, except in circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. The shares are not and will not be registered with the Financial Services Superintendency of the Central Bank of Uruguay. The shares correspond to investment funds that are not investment funds regulated by Uruguayan law 16,774 dated September 27th 1996, as amended.

Peru: The Shares in this fund have not been registered before the Superintendencia del Mercado de Valores (SMV) and are being placed by means of a private offer. SMV has not reviewed the information provided to the investor. This document is only for the exclusive use of institutional investors in Peru and is not for public distribution.

Brazil: The shares in the fund may not be offered or sold to the public in Brazil. Accordingly, the shares in the fund have not been nor will be registered with the Brazilian Securities Commission – CVM nor have they been submitted to the foregoing agency for approval. Documents relating to the shares in the fund, as well as the information contained therein, may not be supplied to the public in Brazil, as the offering of shares in the fund is not a public offering of securities in Brazil, nor used in connection with any offer for subscription or sale of securities to the public in Brazil.

Argentina: This document includes a private invitation to invest in securities. It is addressed only to you on an individual, exclusive, and confidential basis, and its unauthorised copying, disclosure, or transfer by any means whatsoever is absolutely and strictly forbidden. M&G Luxembourg S.A. will not provide copies of this document, or provide any kind of advice or clarification, or accept any offer or commitment to purchase the securities herein referred to from persons other than the intended recipient. ***The offer herein contained is not a public offering, and as such it is not and will not be registered with, or authorised by, the applicable enforcement authority.*** The information contained herein has been compiled by M&G Luxembourg S.A., who assume the sole responsibility for the accuracy of the data herein disclosed. **NOV 23/ 1095702**