

M&G (Lux) Optimal Income Fund

USD Class V-H M F1 – Distribution shares



Fund Factsheet as at 30 June 2025

Marketing Communication

Fund description

The fund aims to provide a combination of capital growth and income to deliver a return based on exposure to optimal income streams in investment markets, while applying environmental, social and governance (ESG) criteria. It seeks to make these investments using an exclusionary approach, as described in the prospectus. Typically, at least 50% of the portfolio is invested in a broad range of fixed income securities of any credit quality and from any country, including emerging markets, and denominated in any currency. The fund manager selects investments wherever he sees the greatest opportunities, based on his assessment of a combination of macroeconomic, asset, sector and stock-level factors. The manager may also hold up to 20% of the portfolio in company shares when he believes they offer better value than bonds. The fund's recommended holding period is five years. In normal market conditions, the fund's expected average leverage – how much it can increase its investment position by borrowing money or using derivatives – is 200% of its net asset value.

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.

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.

Please note that the Fund is not listed and you can redeem only on Singapore business days which are also Dealing Days.

For any further information about the key risks that may affect your investment please refer to the Product Highlight Sheet (PHS) and to the "Main Risks" section of the Singapore Fund Supplement available at www.mandg.com/investments/private-investor/en-sg

Key information

Fund manager(s)	Richard Woolnough, Stefan Isaacs
Fund manager tenure from	20 April 2007
ISIN	LU2758130871
Launch date of fund	05 September 2018
Launch of share class	29 April 2024
Fund size (millions)	\$ 10,162.87
Fund Base Currency	EUR
Fund type	SICAV
Benchmark	1/3 Bloomberg Global Agg Corporate Index USD Hedged, 1/3 Bloomberg Global High Yield Index USD Hedged, 1/3 Bloomberg Global Treasury Index USD Hedged Morningstar USD Cautious Allocation sector

Sector

Number of issuers	190
Average credit rating¹	A+
Modified duration (years)	6.96
SFDR Article Classification	8

¹See important information section for explanation of average credit rating methodology.

Charges

Maximum entry charge	0.00%
Annual Management Charge	1.25%

Things you should know

The fund allows for the extensive use of derivatives.

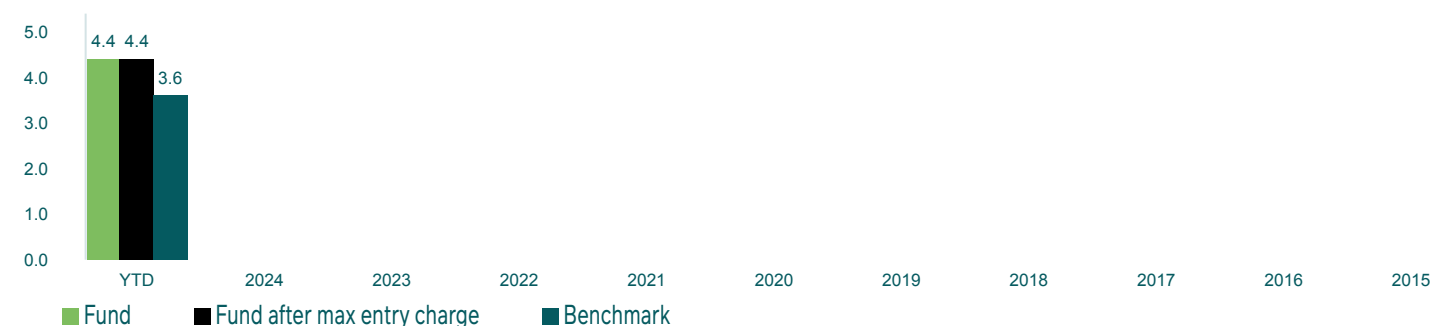
Fund ratings as at 30 June 2025

Morningstar Medalist Rating™	Analyst-Driven %
Bronze	100
	Data Coverage %
	100

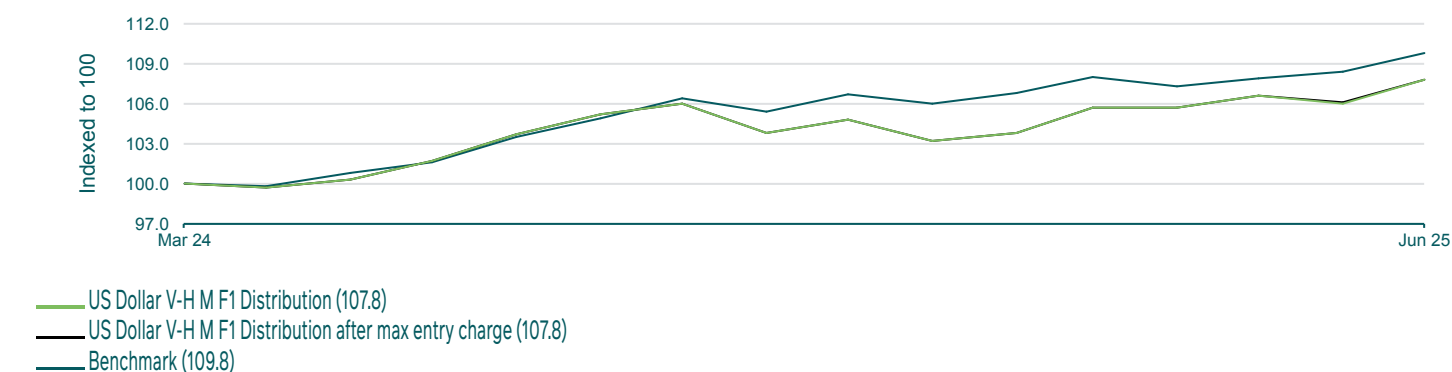
Ratings should not be taken as a recommendation.

Past performance is not a guide to future performance.

Annual performance (%)



Performance since launch



Fund performance (10 years)

	1 month	3 months	YTD to QTR end	YTD	1 year	3 years p.a.	5 years p.a.	10 years p.a.
■ US Dollar V-H M F1 Distribution	1.6%	2.0%	4.4%	4.4%	5.9%	-	-	-
■ US Dollar V-H M F1 Distribution after max entry charge	1.6%	2.0%	4.4%	4.4%	5.9%	-	-	-
■ Benchmark	1.3%	2.3%	3.6%	3.6%	8.1%	-	-	-
■ Sector	1.6%	3.4%	4.2%	4.2%	7.1%	-	-	-

Source: Morningstar, Inc and M&G, as at 30 June 2025. Returns are calculated on a price to price basis. Benchmark returns stated in USD terms.

Fund Codes and Charges

Share class	ISIN	Currency	Share class launch date	Ongoing charge	Minimum initial investment	Minimum top up investment	Distribution frequency
USD A-H Acc	LU1670725347	USD	07/09/2018	1.36%	\$1,000	\$75	-
USD A-H Inc	LU1670725420	USD	07/09/2018	1.36%	\$1,000	\$75	Semi-annually
USD A-H M F1 Inc	LU2249902607	USD	19/11/2020	1.36%	\$1,000	\$75	Monthly
USD A-H M Inc	LU1670725693	USD	07/09/2018	1.36%	\$1,000	\$75	Monthly

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 do not include portfolio transaction costs. They are based on expenses for the period ending 31 March 2025.. Any ongoing charge figure with * indicates an estimate. The fund's annual report for each financial year will include details of the exact charges.

Industry breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
Sovereign	51.4	0.0	0.0	51.4
Banking	14.9	0.0	0.0	14.9
Insurance	5.3	0.0	0.0	5.3
Foreign Sovereign	2.6	0.0	0.0	2.6
Asset backed	2.1	0.0	0.0	2.1
Utility	2.1	0.0	0.0	2.1
Financial services	1.6	0.0	0.0	1.6
Energy	1.0	0.0	0.0	1.0
Technology & electronics	0.9	0.0	0.0	0.9
Real Estate	0.9	0.0	0.0	0.9
Transportation	0.8	0.0	0.0	0.8
Commercial	0.8	0.0	0.0	0.8
Mortgage Backed				
Telecommunications	0.7	0.0	0.0	0.7
Leisure	0.7	0.0	0.0	0.7
Capital goods	0.4	0.0	0.0	0.4
Consumer goods	0.4	0.0	0.0	0.4
Basic industry	0.3	0.0	0.0	0.3
Media	0.2	0.0	0.0	0.2
Automotive	0.2	0.0	0.0	0.2
Retail	0.1	0.0	0.0	0.1
Equity	0.1	0.0	0.0	0.1
Healthcare	0.1	0.0	0.0	0.1
Agency	0.1	0.0	0.0	0.1
Futures	0.0	0.0	0.0	0.0
High Yield indices	0.3	0.0	3.5	3.7
Cash	12.2	0.0	0.0	12.2

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

	Fund
Intesa Sanpaolo	1.1
Lloyds Banking Group	1.0
Apple	0.9
AXA	0.7
Banco Santander	0.7
Barclays	0.7
Legal & General	0.7
UBS Group	0.7
JP Morgan	0.7
BNP Paribas	0.6

Currency breakdown (%)

	Fund
Euro	99.5
US dollar	0.4
British pound	0.1
New Zealand dollar	0.0
Australian dollar	0.0
Swiss franc	0.0
South African rand	0.0
Hong Kong dollar	0.0
Singapore dollar	0.0

Currency exposures in the table above show positions after hedging to the fund's base currency.

Credit rating breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
AAA	6.9	0.0	0.0	6.9
AA	44.8	0.0	0.0	44.8
A	10.7	0.0	0.0	10.7
BBB	19.3	0.0	0.0	19.3
BB	4.8	0.0	1.9	6.7
B	0.9	0.0	1.6	2.5
CCC	0.3	0.0	0.0	0.3
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	0.2	0.0	0.0	0.2
Cash	12.2	0.0	0.0	12.2

A mid-average credit rating for each security, where available from S&P, Fitch, Moody's, is calculated. Where a security has not been rated by S&P, Fitch or Moody's, we may use M&G's internal credit rating. Ratings should not be taken as a recommendation.

Country breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
US	32.7	0.0	0.0	32.7
UK	18.4	0.0	0.0	18.4
France	9.6	0.0	0.0	9.6
Germany	7.1	0.0	0.0	7.1
Ireland	3.4	0.0	0.0	3.4
Spain	3.0	0.0	0.0	3.0
Italy	3.0	0.0	0.0	3.0
Netherlands	1.7	0.0	0.0	1.7
Other	8.6	0.0	0.0	8.6
High Yield indices	0.3	0.0	3.5	3.7
Cash	12.2	0.0	0.0	12.2

Duration by currency and asset class (years)

	Physical	Futures	Swaps	Net
Euro	3.3	-0.2	-1.4	1.6
British pound	1.9	0.0	-0.6	1.2
US dollar	3.5	0.6	-0.2	4.0
Other	0.1	0.0	0.0	0.1
Total	8.8	0.4	-2.2	7.0

Asset breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
Government bonds	54.0	0.0	0.0	54.0
Investment grade corporate bonds	26.3	0.0	0.0	26.3
Fixed rate	26.3	0.0	0.0	26.3
Floating rate	0.0	0.0	0.0	0.0
Index linked	0.0	0.0	0.0	0.0
Credit Default Swaps & Indices	0.0	0.0	0.0	0.0
High yield corporate bonds	4.6	0.0	3.5	8.0
Fixed rate	4.2	0.0	0.0	4.2
Floating rate	0.1	0.0	0.0	0.1
Index linked	0.0	0.0	0.0	0.0
Credit Default Swaps & Indices	0.3	0.0	3.5	3.7
Securitized	2.9	0.0	0.0	2.9
Equities	0.1	0.0	0.0	0.1
Other	0.0	0.0	0.0	0.0
Cash	12.2	0.0	0.0	12.2

Maturity breakdown (%)

	Physical
0 - 1 years	0.9
1 - 3 years	5.1
3 - 5 years	7.6
5 - 7 years	15.3
7 - 10 years	17.9
10 - 15 years	5.8
15+ years	35.2
Cash	12.2
Other	0.1

Important information

This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.

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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. M&G (Lux) Investment Funds 1 is 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. 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/private-investor/en-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.

On 8 March 2019 the non-sterling assets of the M&G Optimal Income Fund, a UK-authorised OEIC which launched on 8 December 2006, merged into the M&G (Lux) Optimal Income Fund, a Luxembourg-authorised SICAV, which launched on 5 September 2018. The SICAV is run by the same fund manager, applying the same investment strategy, as the OEIC.

For the avoidance of doubt, for fixed income funds, we count different entities belonging to the same company as separate issuers to arrive at the number of issuers in the fund, as shown under the key information section.¹The fund's average credit rating uses a mid-average rating (S&P, Fitch, Moody's or M&G's internal rating if no rating is available from these ratings agencies) of securities held by the fund. It excludes some derivatives that are used for efficient portfolio management only. Ratings should not be taken as a recommendation.

Glossary of key terms: Modified duration (years):

A measure of the sensitivity of a bond, or bond fund, to changes in interest rates, expressed in years. The longer a bond or bond fund's duration, the more sensitive it is to interest rate movements.

SFDR article classification:

The Sustainable Finance Disclosure Regulation (SFDR) is a European Union (EU) regulation that came into force on the 12 July 2020. SFDR was designed to ensure consumers and investors are fully informed, via sustainability disclosures, about the ESG credentials of funds and their investment managers, prior to and throughout the investment period. The regulation aims to improve transparency in the market for sustainable investment products through consistent templated disclosure requirements.

The M&G (Lux) Optimal Income Fund is a sub-fund of M&G (Lux) Investment Funds 1.

SFDR Article Classification: Article 8 fund. The decision to invest in this fund should be based on all objectives and characteristics and not solely its non-financial objectives and characteristics.

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