

M&G (Lux) Global Floating Rate High Yield Fund

USD Class A – Accumulation shares



Monthly Fund Review as at 30 September 2025

Marketing Communication - for Professional Investors only

Highlights

- Global high yield (HY) markets continued their positive momentum in September, delivering positive performance but lagging investment grade corporate bonds. Global HY floating rate notes (FRNs) also saw positive returns in the month, led by carry and with a little help from credit spreads. Our off-benchmark credit default swaps (CDS) index position, which we hold for liquidity and diversification purposes, performed well and supported relative returns. It offset the drag from our defensive positioning and underweight stance to distressed issuers, in another risk-on month.
- After a quiet August, primary markets were resurgent. We bought new FRNs from ice cream specialist Sammontana, online gambling firms Evoke and European Entertainment, fluid pumps specialist Ceme and Nidda Healthcare.
- In the secondary market, we partially switched the existing FRN in chemicals firm Cabb Group into a senior-secured fixed-rate bond, which in our view offers greater potential for returns if interest rates drop. We also topped up positions in B2B tech services provider Infopro Digital and in hospitality business Groupe Bertrand.

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.

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.

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.

Further risk factors that apply to the fund can be found in the fund's Prospectus.

Key information

Fund manager(s)	Lu Yu, Stefan Isaacs
Fund manager tenure from	05 February 2024
ISIN	LU1670723136
Launch date of fund	13 September 2018
Launch of share class	21 September 2018
Fund size (millions)	\$ 3,421.10
Fund type	SICAV
Benchmark	ICE BofA Global Floating Rate High Yield Index (3% constrained) USD Hedged Morningstar Global High Yield Bond sector
Sector	
Number of issuers	92
Average credit rating¹	BB-
Modified duration (years)	0.17
Average coupon	5.49
Yield to maturity	8.81%
Yield to worst	6.65%
Spread duration (years)	1.7
SFDR Article Classification	6
Recommended Holding Period	5 years

¹Manager tenure¹ includes the period when managing an equivalent UK-authorized OEIC. Please see 'Important information' at the end of this document for further details.

²See important information section for explanation of average credit rating methodology.

The yield-to-maturity (YTM) figure shown here is calculated on a monthly basis. It shows the weighted average long term total yield of all the instruments held by the fund, assuming that all coupon payments are made - and reinvested at the same rate as the bond's current yield - and all principal payments are made. The figure is expressed as an annual rate.

The yield-to-worst (YTW) figure shown here is calculated on a monthly basis. This is a measure of the lowest potential weighted average yield of the instruments held in the fund. This metric can be used to evaluate the worst-case scenario for yield at the earliest allowable retirement date of the bonds held. This figure will be less than the YTM given the shortened investment horizon. The figure is expressed as an annual rate.

Charges

Maximum entry charge	4.00%
Management fees and other costs	1.18%
Transaction costs	0.02%

Fund ratings as at 30 September 2025

Morningstar Medalist Rating™



Overall Morningstar rating

Source of Morningstar ratings: Morningstar

Ratings should not be taken as a recommendation.

Analyst-Driven %

55

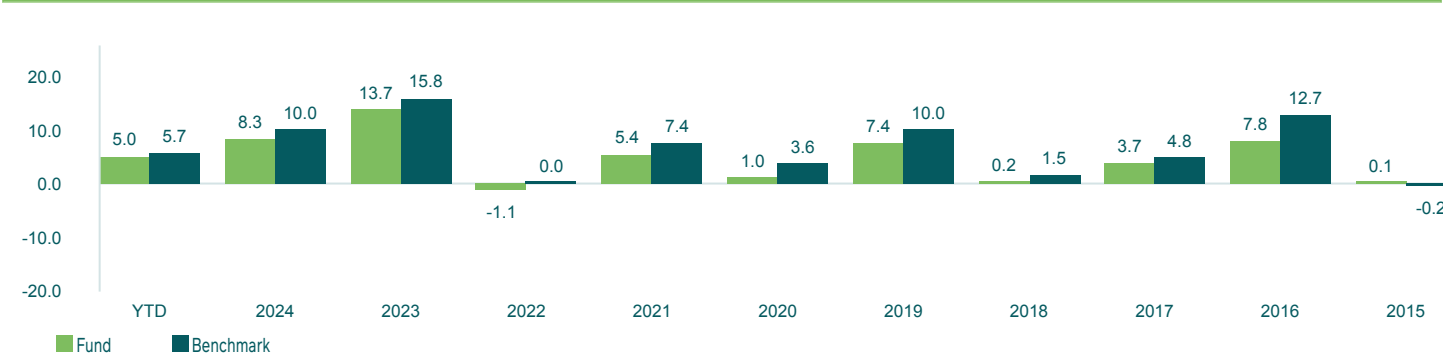
Data Coverage %

100

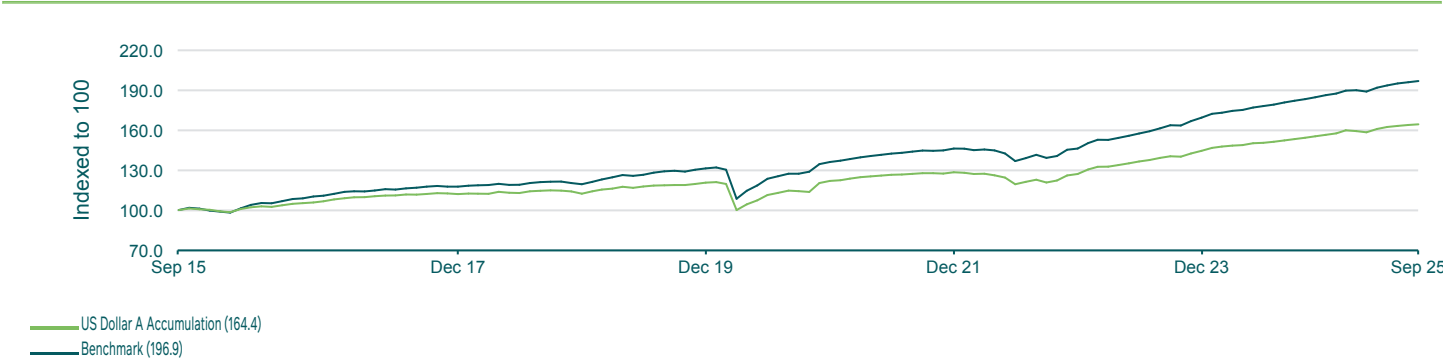
★★★★

Past performance is not a guide to future performance.

Annual performance (%)



Performance over 10 years



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 A Accumulation	0.3%	1.2%	5.0%	5.0%	7.3%	10.8%	7.6%	5.1%
Benchmark	0.4%	1.7%	5.7%	5.7%	8.1%	12.3%	9.1%	7.0%
Sector	0.8%	2.2%	7.6%	7.6%	7.1%	10.6%	4.4%	4.6%

The benchmark is a comparator against which the fund's performance can be measured. The index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

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. Fund performance prior to 21 September 2018 is that of the USD Class A Accumulation of the M&G Global Floating Rate High Yield Fund (a UK-authorised OEIC), which merged into this fund on 7 December 2018. Tax rates and charges may differ.

Benchmark prior to 01 April 2016 is the ICE BofAML Global Floating Rate High Yield (USD Hedged) Index. Thereafter it is the ICE BofAML Global Floating Rate High Yield (3% Constrained) USD Hedged Index.

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

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

	Fund
Teamsystem	3.1
Cedacri	2.7
Skill Bidco APS	2.7
Cerved Group	2.6
Kapla Holding	1.9
Paganini Bidco	1.9
Apollo Swedish Bidco	1.8
Bertrand Franchise Finance	1.8
888 Acquisitions	1.8
Sherwood Financing	1.8

Credit rating breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
AAA	0.0	0.0	0.0	0.0
AA	9.7	0.0	0.0	9.7
A	0.0	0.0	0.0	0.0
BBB	0.0	0.0	0.0	0.0
BB	9.1	0.0	0.0	9.1
B	69.7	0.0	9.0	78.7
CCC	1.5	0.0	0.0	1.5
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	9.8	0.0	0.0	9.8

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
Italy	31.3	0.0	0.0	31.3
US	15.4	0.0	0.0	15.4
UK	10.3	0.0	0.0	10.3
Luxembourg	7.1	0.0	0.0	7.1
France	6.8	0.0	0.0	6.8
Germany	6.5	0.0	0.0	6.5
Sweden	3.3	0.0	0.0	3.3
Ireland	2.7	0.0	0.0	2.7
Other	6.1	0.0	0.0	6.1
High Yield indices	0.6	0.0	9.0	9.6
Cash	9.8	0.0	0.0	9.8

Industry breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
Services	12.1	0.0	0.0	12.1
Sovereign	9.7	0.0	0.0	9.7
Retail	9.2	0.0	0.0	9.2
Capital goods	8.1	0.0	0.0	8.1
Financial services	8.0	0.0	0.0	8.0
Basic industry	7.5	0.0	0.0	7.5
Technology & electronics	7.4	0.0	0.0	7.4
Leisure	6.6	0.0	0.0	6.6
Healthcare	6.3	0.0	0.0	6.3
Transportation	3.7	0.0	0.0	3.7
Consumer goods	3.3	0.0	0.0	3.3
Telecommunications	3.2	0.0	0.0	3.2
Media	1.5	0.0	0.0	1.5
Energy	1.4	0.0	0.0	1.4
Automotive	1.2	0.0	0.0	1.2
Real Estate	0.4	0.0	0.0	0.4
Banking	0.2	0.0	0.0	0.2
Equity	0.0	0.0	0.0	0.0
High Yield indices	0.6	0.0	9.0	9.6
Cash	9.8	0.0	0.0	9.8

Maturity breakdown (%)

	Physical
0 - 1 years	48.5
1 - 3 years	12.0
3 - 5 years	21.7
5 - 7 years	6.6
7 - 10 years	0.0
10 - 15 years	0.0
15+ years	1.4
Cash	9.8
Other	0.0

Asset breakdown (%)

	Net
Corporate floating rate notes	73.2
Fixed rate bonds + Swaps	6.7
Credit default swaps	0.0
Credit default indices	9.6
Other	9.7
Cash	9.8

Duration by currency and asset class (years)

	Physical	Futures	Swaps	Net
Euro	0.1	0.0	0.0	0.1
British pound	0.1	0.0	0.0	0.1
US dollar	0.1	0.0	-0.1	0.0
Other	0.0	0.0	0.0	0.0
Total	0.2	0.0	-0.1	0.2

Currency breakdown (%)

	Fund
US dollar	99.4
Euro	0.6
British pound	0.0
Hong Kong dollar	0.0
Australian dollar	0.0
Swiss franc	0.0
Singapore dollar	0.0

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

Fund codes and charges

Share class	ISIN	Bloomberg	Currency	Share class launch date	Annual Management Charge	Management fees and other costs	Distribution yield	Minimum initial investment	Minimum top up investment
USD A Acc	LU1670723136	MGFHUAA LX	USD	21/09/2018	1.00%	1.18%*	-	\$1,000	\$75
USD A Inc	LU1670723219	MGFHUAD LX	USD	21/09/2018	1.00%	1.18%*	6.49%	\$1,000	\$75
USD A M F1 Inc	LU2751576609	MGRHYUA LX	USD	06/03/2024	1.00%	1.18%*	6.54%	\$1,000	\$75
USD A M Inc	LU1670723300	MGRUAMD LX	USD	21/09/2018	1.00%	1.18%*	6.53%	\$1,000	\$75
USD C Acc	LU1670723482	MGFHUCA LX	USD	21/09/2018	0.40%	0.58%*	-	\$500,000	\$50,000
USD C Inc	LU1670723565	MGFHUCD LX	USD	21/09/2018	0.40%	0.58%*	6.49%	\$500,000	\$50,000
USD C M F1 Inc	LU2751579371	MGFUCDI LX	USD	06/03/2024	0.40%	0.58%*	6.54%	\$500,000	\$50,000
USD C M Inc	LU1670723649	MGRUCMD LX	USD	21/09/2018	0.40%	0.58%*	6.53%	\$500,000	\$50,000
USD CI Acc	LU1866903385	MGRUCIA LX	USD	21/09/2018	0.40%	0.54%*	-	\$500,000	\$50,000

Management fees and other administrative or operating costs figures disclosed above include direct costs to the fund, such as the annual management charge (AMC), administration charge and custodian charge, as well as portfolio transaction costs. They are based on expenses for the period ending 31 December 2024. Any ongoing costs figure with * indicates an estimate. Not all costs are presented. The fund's annual report for each financial year will include details of the exact charges. Please note that not all of the share classes listed above might be available in your country. Please see the 'Important information' at the end of this document, the fund's Prospectus and the KID for more information on the risks associated with this fund and which share classes are available for which product and which investor type.

Approach to responsible investment

	Yes	No	N/A
ESG integration	✓		
Additional ESG specifications		✓	
Exclusions	✓		
Cluster munitions & anti personnel landmines	✓		
Other exclusions or restrictions		✓	
Voting			✓
Engagement	✓		

Please see glossary for further explanation of these terms.

Climate metrics

	Weighted Average Carbon Intensity (tCO ₂ e / US\$m sales)	Coverage by portfolio weight (%)
US Dollar A Accumulation	65.05	93.04%

Source: We use a variety of data sources to gather and map the carbon emissions of our funds. This allows for data gaps from some data providers on some issuers. We currently use MSCI as our main third-party data provider for carbon intensity data as we consider its coverage to be the broadest of the current providers.

ESG Standard Glossary

Additional ESG specifications: In the context of M&G, these are funds that are managed in accordance with specific ESG criteria or, where relevant, with an explicit ESG objective. They will have a number of minimum exclusions in place.

Engagement: Interaction with company management on various financial and non-financial, including ESG, issues. Engagement allows investors to better understand how a company is undertaking its operations and how it is interacting with its stakeholders, as well as advising on and influencing company behaviour and disclosures where appropriate.

ESG integration: Describes the explicit and systematic inclusion of Environmental, Social and Governance factors in investment analysis and investment decisions. It underpins a responsible investment approach, and allows investors to

better manage risk and generate sustainable, long-term returns.

Exclusions: The exclusion or restriction of investments based on the sector in which they operate, the products or services they provide or for other specific criteria, i.e. they are deemed to be in breach of the United Nations Global Compact principles on human rights, labour the environment and anti-corruption.

Voting: As the partial owners of a company, shareholders have the right to vote on resolutions put forward at a company's annual general meeting. These resolutions include the re-election of directors, executive remuneration and business strategy, among others, and may include resolutions put forward by shareholders.

Explanation of our climate metrics

The Weighted Average Carbon Intensity (WACI) is the metric used to report our funds' carbon emissions. It is a measure of how much CO₂ is being emitted per US\$ million of sales by each company that the fund invests in. This can be used to determine the likely effect a company is having on the environment. It can also help to compare the impact different companies have on the environment, and to compare companies against the broad market or the financial benchmark for the fund. However, this metric does not take into account the difference in carbon characteristics among sectors.

The WACI metric is one of many greenhouse gas emissions data points, each offering a different aspect of analysis on climate impact. M&G have selected this metric as it is applicable to multi-asset, equity and fixed income funds and it is aligned to the recommendations from the Taskforce for Climate Related Financial Disclosures (TCFD). It has also been chosen to align with M&G's groupwide target of transparency when it comes to the disclosure of climate emissions.

For the avoidance of doubt, this fund is not managed to a carbon emission objective and, the benchmark WACI (should funds have a benchmark) has been included for information purposes only.

Fund description

The fund aims to provide a combination of capital growth and income to deliver a return that is higher than that of the global floating rate high yield bond market (as measured by the ICE BofA Global Floating Rate High Yield Index (3% constrained) USD Hedged) over any five-year period. At least 70% of the fund is invested in high yield floating rate notes (FRNs), focusing on FRNs issued by companies with a low credit rating, which typically pay higher levels of interest to compensate investors for the greater risk of default. Part of the fund may be invested in other fixed income assets, such as government bonds. Asset exposure is gained through physical holdings and the use of derivatives. 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 300% of the fund's net asset value.

Glossary

Please find a link to our [glossary page](#) which provides an explanation of terms used in this document across our fund ranges.

Important information

On 7 December 2018, the non-sterling assets of the M&G Global Floating Rate High Yield Fund, a UK-authorised OEIC which launched on 11 September 2014, merged into the M&G (Lux) Global Floating Rate High Yield Fund, a Luxembourg-authorised SICAV, which launched on 13 September 2018. The SICAV is run by the same fund manager, applying the same investment strategy, as the UK-authorised OEIC.

The duration figure shown in this document is calculated using an external system, which does not adjust for EURIBOR floors (a common feature in European high yield floating rate notes) in the duration calculation. This figure will therefore be overstated when EURIBOR is negative. The fund's duration is expected to be closely in line with the benchmark index, which will be close to zero, given the floating rate properties of the assets held.

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.

The M&G (Lux) Global Floating Rate High Yield Fund is a sub-fund of M&G (Lux) Investment Funds 1.

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The Morningstar Overall Rating based on the fund's US Dollar Class A shares. Copyright © 2025 Morningstar UK Limited. All Rights Reserved. Ratings should not be taken as recommendation.

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