M&G Corporate Credit Opportunities ELTIF

EUR Class EI – Distribution shares

Monthly Fund Review as at 30 April 2025

Marketing Communication - for investment professionals only

M&G Investments

Highlights

- Turbulence hinted at Q1's end manifested in April with US reciprocal tariffs announced, causing a global sell-off.
- A swift, severe market response saw US equities experience the worst two-day decline since World War II, however conditions stabilised quickly with tariff negotiations.
- European credit markets demonstrated strong performance relative to the US, particularly at the long end of the yield curve. Investment-grade credit (+0.91%) outperformed European loans (-0.28%), though European loans remain healthily up on a year-to-date (YTD) basis at 0.71%.
- Issuance continued, albeit at lower volumes, totalling €4 billion, mainly for M&A buyout activities.
- The fund continued to actively redeploy capital, with approximately €31 million in purchases over the month.
- Notable additions included an add-on private credit transaction from the delivery group DX Delivery, a term loan from a debut issuer in the market ATG Entertainment, and term loan from facilities management group Apleona.
- The fund also executed a relative value rotation from the EUR tranche of Merlin into the higher-paying USD tranche, alongside credit risk repositioning involving Rohm and UDG Healthcare.

The main risks associated with this fund

The Fund is illiquid in nature because its investments are long term. For investors, this is an investment that has low liquidity. The Sub-Fund may not be suitable for Investors that are unable to sustain such a long-term and illiquid commitment. A 10-year holding period is recommended. Where Redemption Requests are not satisfied, the investor may face a longer holding period than foreseen at the time of initial investment.
Bonds, Notes and Bills Risk: Investments in fixed rate securities entail certain risks including adverse income fluctuation associated with general economic conditions affecting the fixed income securities market, as well as adverse interest rate changes and volatility of yields.
Credit risk: the possibility that a debtor will not meet their repayment obligations.
Sub-Investment Grade Assets Risk: Sub-Investment Grade Assets carry greater credit and liquidity risk than investment grade assets.
Hedging risk: Hedging transactions may be entered into using exchange-traded or OTC derivatives or by the purchasing of securities in order to hedge a Sub-Fund's exposure to foreign exchange or market risk.
Please note this is not an exhaustive list, you should ensure you understand the risk profile of the products or services you plan to purchase. Further details of the risks that apply to the fund can be found in the fund's Prospectus.
Only a small part of the portfolio should be invested in an ELTIF. Target returns are not guaranteed.

Key information

Fund manager(s)	Michael George
Fund manager tenure from	31 October 2023
Deputy fund manager(s)	Fiona Hagdrup
ISIN	LU2600130095
Launch date of fund	31 October 2023
Launch of share class	28 March 2024
Fund size (millions)	€ 863,11
Fund type	European Long-Term Investment Fund
Number of issuers	190
Average credit rating[1]	B
Modified duration (years)	0,09
Average coupon	6,31
Yield to maturity	7,43%
Yield to worst	7,37%
Spread duration (years)	3,4
SFDR Article Classification	6
Recommended Holding Period	10 years

[1]See 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	0,00%
Management fees and other costs	0,68%
Transaction costs	0,24%

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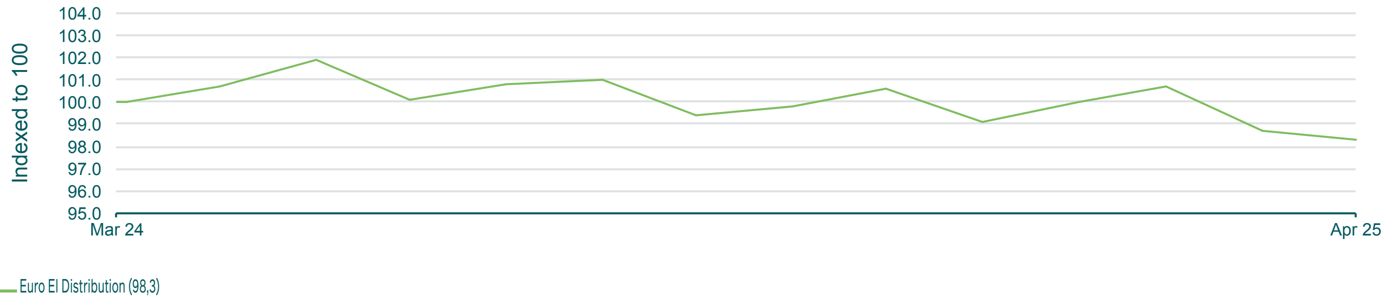
Past performance is not a guide to future performance.

Single year performance (10 years)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Euro EI Distribution	-	-	-	-	-	-	-	-	-	-

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.
Euro EI Distribution	-0,3%	0,2%	1,4%	1,1%	5,7%	-	-	-

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

Asset breakdown (%)

	Fund
Illiquid Corporate Private Credit	20,7
Liquid Corporate Private Credit	79,3

Credit rating breakdown (%)

	Net exposure
BB+ & Above	0,0
BB	2,9
BB-	2,7
B+	5,5
B	51,8
B-	30,8
CCC+ & Below	0,9
No rating	0,4
Cash & Equivalents	5,0

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.

Currency breakdown (%)

	Fund
Euro	65,7
British pound	19,9
US dollar	9,4
Cash & Equivalents	5,0

Industry breakdown (%)

	Fund
Healthcare	16,8
Services	15,8
Technology & electronics	12,8
Basic industry	11,1
Capital goods	9,3
Consumer goods	8,1
Retail	7,0
Leisure	4,5
Telecommunications	3,9
Transportation	1,8
Automotive	1,4
Energy	1,1
Real Estate	1,1
Media	0,2
Financial services	0,2
Cash & Equivalents	5,0

Currency breakdown (%)

	Fund
Euro	65,7
British pound	19,9
US dollar	9,4
Cash & Equivalents	5,0

Maturity breakdown (%)

	Physical
2025	0,2
2026	1,4
2027	6,5
2028	34,7
2029	21,0
2030	7,6
2031	15,6
2032	4,8
2033	0,4

Fund codes and charges

Share class	ISIN	Bloomberg	Currency	Share class launch date	Management fees and other costs	Minimum initial investment	Minimum top up investment
Euro EI Inc	LU2600130095	MGCREIE LX	EUR	28-03-2024	0,68%	€1.000.000	-
Euro P Acc	LU2600129592	N/A	EUR	30-11-2023	1,46%	€25.000	-
Euro P Inc	LU2600129675	N/A	EUR	30-11-2023	1,47%	€25.000	-
Euro W Acc	LU2600129758	N/A	EUR	30-11-2023	0,86%	€500.000	-
Euro W Inc	LU2600129832	N/A	EUR	30-11-2023	0,87%	€500.000	-

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.

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.

Fund description

The fund aims to deliver a return of Euribor +5-6%, gross of fees, over the medium term by investing across a wide range of corporate credit. This includes senior and junior syndicated loans and high yield bonds, issued by Qualifying Portfolio Undertakings, as defined in the fund prospectus, as well as direct lending.

The fund applies a flexible asset allocation approach through investment in a range of corporate credit. The composition of the portfolio depends on the market analysis and views of the Investment Manager. Considering the recommended holding period (of at least 10 years) being compatible with a long-term investment horizon, the return is directly related to the value of its underlying assets. Broader economic and political themes can also influence the return. The fund is actively managed and does not use a benchmark.

Important information

End of Life: Fund has a 50-year life which may be extended by up to one year
Redemption frequency: Quarterly (with 90 days notice)
Distribution frequency: Quarterly
Hedging: Fully hedged to base currency (Financial derivative instruments may be used for the purpose of hedging risks). Hedging transactions, while potentially reducing the risk of currency and market risk exposure to which the Fund may otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty

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. [1]The 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.

Luxembourg Specialist Investment Funds (3) SICAV

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Glossary

This glossary provides an explanation of terms used in this factsheet. It may include terms that do not apply to this fund.

Accumulation shares: A type of share where distributions are automatically reinvested and reflected in the value of the shares.
Asset allocation: Allocating a portfolio's assets according to risk tolerance and investment goals.
Asset-backed securities: Bonds (fixed income securities) backed by assets that produce cashflows, such as mortgage loans, credit card receivables and auto loans.
Benchmark (Constraint): The portfolio must replicate the securities contained in the benchmark and their weights. The benchmark can be an index or a sector. Depending on the fund's mandate, the managers can replicate the positions directly or via derivatives, which are instruments whose value is derived from that of an underlying security or pool of securities.
Benchmark (Target): A benchmark, such as an index or sector, which the fund managers aim to match or exceed. The managers have freedom in choosing the securities and strategy by which they do so.
Benchmark: Measure, such as an index or sector, against which a portfolio's performance is judged.
Benchmark (Comparator): The fund managers choose the benchmark, which may be an index or a sector, as a comparator for the fund's performance, but they do not have to replicate its composition. The benchmark is not used for any other purpose, such as, for example, to serve as a reference when setting performance fees.
Bond: A loan in the form of a security, usually issued by a government or company. It normally pays a fixed rate of interest (also known as a coupon) over a given time period, at the end of which the initial amount borrowed is repaid.
Cash equivalents: Deposits or investments with similar characteristics to cash.
Consumer prices index (CPI): An index used to measure inflation, or the rate at which prices for a basket of goods and services bought by households change. The contents of the basket are meant to be representative of products and services consumers typically spend money on, and are updated regularly.
Convertible bonds: Fixed income securities (bonds) that can be exchanged for predetermined amounts of company shares at certain times during their life.
Corporate bonds: Fixed income securities issued by a company. They are also known as bonds and can offer higher interest payments than bonds issued by governments as they are often considered more risky. Also referred to by investors as "credit."
Coupon: The interest paid by the government or company that has raised a loan by selling bonds. It is usually a fixed amount, calculated as a percentage of the total loan and paid out at regular intervals.
Credit default swap (CDS): An insurance-like contract that allows an investor to transfer the default risk of a bond to another investor. The buyer of the CDS pays regular premiums to the seller, who has to reimburse the buyer in the event of the underlying bond defaulting. A CDS is a type of derivative – a financial instrument whose value and price is dependent on the underlying asset.
Credit rating agency: A company that analyses the financial strength of issuers of fixed income securities (bonds) and attaches a rating to their debt. Examples include Standard & Poor's, Moody's and Fitch.
Derivatives: Financial instruments whose value and price depend on one or more underlying assets. Derivatives can be used to gain exposure to, or to help protect against, expected changes in the value of the underlying investments. Derivatives may be traded on a regulated exchange or directly between two parties (over the counter).
Distribution yield: The amount that is expected to be distributed by the fund over the next 12 months expressed as a percentage of the share price as at a certain date. It is based on the expected gross income from the current portfolio calculated in accordance with the fund's distribution polices less the ongoing charges where they are deducted from income.
Dividend yield: Annual income distributed by a company as a percentage of its share price as at a certain date.
Duration: A measure of the sensitivity of a fixed income security (bond) or bond fund to changes in interest rates. The longer a bond or bond fund's duration, the more sensitive it is to interest rate movements.
Emerging economy or market: Country in the process of catching up with developed economies, with rapid growth and increasing industrialisation. Investments in emerging markets are generally considered to be riskier than those in developed markets.
Equities: Shares of ownership in a company. They offer investors participation in the company's potential profits, but also the risk of losing all their investment if the company goes bankrupt.
Ex-dividend, ex-distribution or xd date: The date on which declared distributions officially belong to underlying investors. On the XD date, the stock's price usually falls by the amount of the dividend, reflecting the payout.
Exposure: The proportion of a fund invested in a particular share/fixed income security/index, sector/region, usually expressed as a percentage of the overall fund.
Fixed income security: A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid. Also referred to as a bond.
Floating rate notes (FRNs): Securities whose interest (income) payments are periodically adjusted depending on the change in a reference interest rate.
Gilts: Fixed income securities issued by the UK government. They are called gilts because they used to be issued on gilt-edged paper.
Government bonds: Loans issued in the form of fixed income securities by governments. They normally pay a fixed rate of interest over a given time period, at the end of which the initial investment is repaid.
Hard currency (bonds): Fixed income securities (bonds) denominated in a highly traded, relatively stable international currency, rather than in the bond issuer's local currency. Bonds issued in a more stable hard currency, such as the US dollar, can be more attractive to investors where there are concerns that the local currency could lose value over time, eroding the value of bonds and their income.
Hedging: A method of reducing unnecessary or unintended risk.
High yield bonds: Loans taken out in the form of fixed income securities issued by companies with a low credit rating from a recognised credit rating agency. They are considered to be at higher risk of default than better-quality, higher-rated fixed income securities, but they have the potential for higher rewards. Default means that a bond issuer is unable to meet interest payments or repay the initial amount borrowed at the end of a security's life.
Historic yield: The historic yield reflects distributions declared over the past 12 months as a percentage of the share price as at the date shown.
Income shares: A type of share where distributions (also called dividends) are paid out as cash on the payment date.
Index-linked bonds: Fixed income securities where both the value of the loan and the interest payments are adjusted in line with inflation over the life of the security. Also referred to as inflation-linked bonds.
Investment association (IA): The UK trade body that represents fund managers. It works with investment managers, liaising with government on matters of taxation and regulation, and also aims to help investors understand the industry and the investment options available to them.
Investment grade bonds: Fixed income securities issued by a government or company with a medium or high credit rating from a recognised credit rating agency. They are considered to be at lower risk of default than those issued by issuers with lower credit ratings. Default means that a borrower is unable to meet interest payments or repay the initial investment amount at the end of a security's life.
Leverage: When referring to a company, leverage is the level of a company's debt in relation to its assets. A company with significantly more debt than capital is considered to be leveraged. It can also refer to a fund that borrows money or uses derivatives to magnify an investment position.
Local currency bonds: Bonds denominated in the currency of the issuer's country, rather than in a highly traded international 'hard' currency, such as the US dollar. The value of local currency bonds tends to fluctuate more than that of bonds issued in a hard currency, as these currencies tend to be less stable.
Long position (exposure): Holding a security in the expectation that its value will rise.
Maturity: The length of time until the initial amount invested in a fixed income security is due to be repaid to the holder of the security.
Modified duration: 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.
Near cash: Deposits or investments with similar characteristics to cash.
Net asset value (NAV): The current value of the fund's assets minus its liabilities.
Ongoing charge figure: The ongoing charge figure represents the operating costs investors can reasonably expect to pay under normal circumstances.
Open-ended investment company (OEIC): A type of managed fund whose value is directly linked to the value of the fund's underlying investments. The fund creates or cancels shares depending on whether investors want to redeem or purchase them.
Options: Financial contracts that offer the right, but not the obligation, to buy or sell an asset at a given price on or before a given date in the future.
Payment date: The date on which distributions will be paid by the fund to investors, usually the last business day of the month.
Physical assets: An item of value that has tangible existence; for example cash, equipment, inventory or real estate. Physical assets can also refer to securities, such as company shares or fixed income securities.
Property expense ratio: Property expenses are the operating expenses that relate to the management of the property assets in the portfolio. These include: insurance and rates, rent review and lease renewal costs and maintenance and repairs, but not improvements. They depend on the level of activity taking place within the fund. The Property Expense Ratio is the ratio of property expenses to the fund's net asset value.
Retail prices index (RPI): A UK inflation index that measures the rate of change of prices for a basket of goods and services in the UK, including mortgage payments and council tax.
Share class hedging: Activities undertaken in respect of hedged shares to mitigate the impact on performance of exchange rate movements between the fund's currency exposure and the investor's chosen currency.
Share class: Type of fund shares held by investors in a fund (share classes differ by levels of charge and/or by other features such as hedging against currency risk). Each M&G fund has different share classes, such as A, R and I. Each has a different level of charges and minimum investment. Details on charges and minimum investments can be found in the fund's Prospectus.
Share: An ownership stake in a company, usually in the form of a security. Also called equity. Shares offer investors participation in the company's potential profits, but also the risk of losing all their investment if the company goes bankrupt.
Short position (exposure): A way for an investor to express their view that the market might fall in value.
SICAV: In French, it stands for société d'investissement à capital variable. It is the western European version of an open-ended collective investment fund, much like an OEIC. Common in Luxembourg, Switzerland, Italy and France, and regulated by regulators in the European Union.
Swap: A swap is a derivative contract where two parties agree to exchange separate streams of cashflows. A common type of swap is an interest rate swap, where one party swaps cashflows based on variable interest rates for those based on a fixed interest rate, to hedge against interest rate risk.
UCITS: Stands for Undertakings for Collective Investments in Transferable Securities. This is the European regulatory framework for an investment vehicle that can be marketed across the European Union and is designed to enhance the single market in financial assets while maintaining high levels of investor protection.
Underlying yield: The amount that is expected to be earned by the fund over the next 12 months expressed as a percentage of the share price as at a certain date. It is based on the expected gross income from the current portfolio calculated in accordance with the fund's accounting policies less all ongoing charges.
Unit trust: A type of managed fund whose value is directly linked to the value of the fund's underlying investments and which is structured as a trust, rather than as a company.
United Nations Global Compact: A United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies and to report on their implementation.
Valuation: The worth of an asset or company, based on the present value of the cashflows it will generate.
Yield: This refers to either the interest received from a fixed income security or to the dividends received from a share. It is usually expressed as a percentage based on the investment's costs, its current market value or its face value. Dividends represent a share in the profits of a company and are paid out to the company's shareholders at set times of the year.