

M&G (Lux) Short Dated Corporate Bond Fund

USD Class A-H – Accumulation shares



Monthly Fund Review as at 30 June 2025

Marketing Communication - for Professional Investors only

Highlights

- The investment grade market remained well-supported in June, with healthy demand meeting a steady but manageable pace of issuance. Valuations remain tight by historical standards, but absolute yields continue to look attractive to income-focused investors, particularly as central banks edge closer to interest rate cuts. The global corporate index returned 1.3%, while US and UK corporates returned 1.8%.
- As has been the theme for most of the year, June was all about the primary market once again. The fund received inflows meaning that we had cash to put to work. Where we needed to raise a little more cash to fund new issues, we trimmed some of our higher beta positions.
- Rates duration (interest rates risk) ended the month up from 1.82 years to 1.95 years and credit spread duration up from 2.86 years to 2.95 years – with euro credit assets continuing to contribute the most, with 1.96 years.

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 hedging process seeks to minimise, but cannot eliminate, the effect of movements in exchange rates on the performance of the hedged share class. Hedging also limits the ability to gain from favourable movements in 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.

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

Key information

Fund manager	Matthew Russell, Ben Lord
Fund manager tenure from	31 August 2013
ISIN	LU1670717831
Launch date of fund	26 October 2018
Launch of share class	26 October 2018
Fund size (millions)	\$ 741,24
Fund type	SICAV
Benchmark	Markit iBoxx EUR Corporates 1-3 year Index (USD Hedged)
Number of issuers	165
Modified duration (years)	1,95
VaR	0,78%
Average coupon	3,94
Yield to maturity	5,37%
Yield to worst	5,26%
Spread duration (years)	3,0
SFDR Article Classification	8
Recommended Holding Period	5 years

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

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	3,25%
Management fees and other costs	0,48%
Transaction costs	0,00%

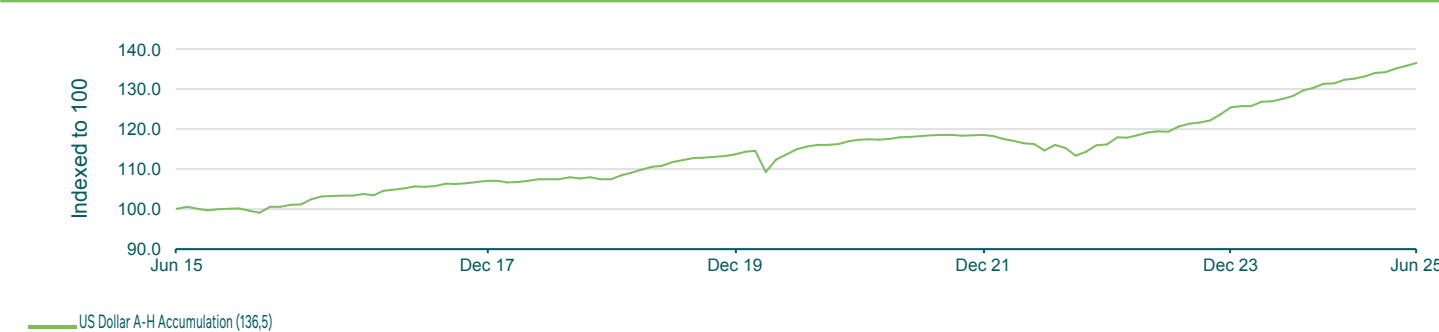
A methodology for estimating the maximum potential loss due to market risk based on historic market volatilities and correlations. More particularly, the VaR approach gives a broad indication of the maximum potential loss at a given confidence level (probability), over a specific time period under normal market conditions.

Past performance is not a guide to future performance.

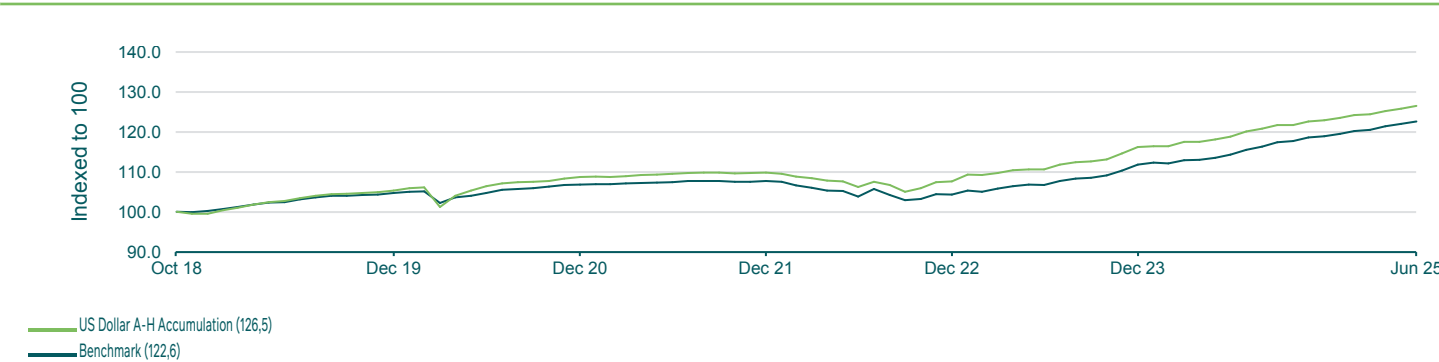
Single year performance (10 years)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
US Dollar A-H Accumulation	5,7%	8,0%	-2,0%	1,0%	3,2%	5,8%	0,4%	3,1%	3,7%	0,1%
Benchmark	6,3%	7,3%	-3,2%	0,9%	2,0%	4,4%	-	-	-	-

Performance over 10 years



Performance vs Benchmark



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-H Accumulation	0,6%	1,7%	2,9%	2,9%	6,4%	6,0%	3,5%	3,2%
Benchmark	0,5%	1,8%	3,1%	3,1%	7,3%	5,7%	3,2%	-

The chart above shows the fund performance vs the benchmark performance from the closest month-end to the introduction of the benchmark.

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 26 October 2018 is that of the USD Class A-H Accumulation of the M&G Short Dated Corporate Bond Fund (a UK-authorised OEIC), which merged into this fund on 26 October 2018. Tax rates and charges may differ.

The Market iBoxx EUR Corporates 1-3 year Index was introduced as the fund's benchmark on 13 March 2018.

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

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Asset breakdown (%)

	Fund
Government bonds	10,7
Investment grade corporate bonds	53,8
Fixed rate	43,0
Floating rate	10,1
Index linked	0,6
Credit Default Swaps & Indices	0,2
High yield corporate bonds	1,2
Fixed rate	1,2
Floating rate	0,0
Index linked	0,0
Credit Default Swaps & Indices	0,0
Securitised	31,7
Equities	0,0
Other	0,0
Cash	2,7

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

	Fund
Nationwide Building Society	2,2
Toronto-Dominion Bank	1,9
Bank of Montreal	1,5
New York Life Global Funding	1,5
Bank of Nova Scotia	1,5
Clydesdale Bank	1,4
Santander UK	1,4
Royal Bank of Canada	1,4
TSB Bank	1,2
American Express	1,2

Industry breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
Banking	19,4	0,0	0,0	19,4
Covered Bonds	15,8	0,0	0,0	15,8
Mortgage backed	11,3	0,0	0,0	11,3
Sovereign	9,5	0,0	0,0	9,5
Financial services	6,8	0,0	0,0	6,8
Insurance	4,9	0,0	0,0	4,9
Automotive	4,7	0,0	0,0	4,7
Consumer goods	3,9	0,0	0,0	3,9
Asset backed	3,4	0,0	0,0	3,4
Retail	1,9	0,0	0,0	1,9
Energy	1,9	0,0	0,0	1,9
Utility	1,9	0,0	0,0	1,9
Capital goods	1,9	0,0	0,0	1,9
Media	1,8	0,0	0,0	1,8
Telecommunications	1,5	0,0	0,0	1,5
Foreign Sovereign	1,2	0,0	0,0	1,2
Healthcare	1,2	0,0	0,0	1,2
Leisure	0,9	0,0	0,0	0,9
Services	0,8	0,0	0,0	0,8
Real Estate	0,8	0,0	0,0	0,8
Technology & electronics	0,7	0,0	0,0	0,7
Transportation	0,6	0,0	0,0	0,6
Commercial Mortgage Backed	0,5	0,0	0,0	0,5
Investment Grade indices	0,2	0,0	9,0	9,2
Cash	2,7	0,0	0,0	2,7

Credit rating breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
AAA	36,0	0,0	0,0	36,0
AA	12,9	0,0	0,0	12,9
A	24,8	0,0	9,0	33,9
BBB	22,4	0,0	0,0	22,4
BB	0,6	0,0	0,0	0,6
B	0,5	0,0	0,0	0,5
CCC	0,0	0,0	0,0	0,0
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
Cash	2,7	0,0	0,0	2,7

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.

Maturity breakdown (%)

	Physical
0 - 1 years	10,1
1 - 3 years	41,6
3 - 5 years	33,0
5 - 7 years	11,0
7 - 10 years	1,6
10 - 15 years	0,0
15+ years	0,0
Cash	2,7

Duration by currency and asset class (years)

	Physical	Futures	Swaps	Net
Euro	1,7	0,0	0,0	1,7
British pound	0,2	0,0	0,0	0,2
US dollar	0,1	0,0	0,0	0,1
Other	0,0	0,0	0,0	0,0
Total	2,0	0,0	0,0	2,0

Country breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
UK	28,3	0,0	0,0	28,3
US	16,6	0,0	0,0	16,6
Germany	13,3	0,0	0,0	13,3
France	10,9	0,0	0,0	10,9
Canada	6,9	0,0	0,0	6,9
Italy	3,6	0,0	0,0	3,6
Netherlands	2,6	0,0	0,0	2,6
Spain	2,4	0,0	0,0	2,4
Other	12,6	0,0	0,0	12,6
Investment Grade indices	0,2	0,0	9,0	9,2
Cash	2,7	0,0	0,0	2,7

Currency breakdown (%)

	Fund
Euro	99,7
British pound	0,2
US dollar	0,1

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

Fund codes and charges

Share class	ISIN	Bloomberg	Currency	Share class launch date	Management fees and other costs	Distribution yield	Underlying yield	Minimum initial investment	Minimum top up investment
USD A-H Acc	LU1670717831	MGSUAHA LX	USD	26/10/2018	0,48%	-	3,61%	\$1.000	\$75
USD A-H Inc	LU1670717914	MGSUAHD LX	USD	26/10/2018	0,49%	4,16%	3,60%	\$1.000	\$75
USD C-H Acc	LU1670718052	MGSDUCH LX	USD	26/10/2018	0,34%	-	3,75%	\$500.000	\$50.000
USD C-H Inc	LU1670718136	MGSUCHD LX	USD	26/10/2018	0,33%	4,15%	3,76%	\$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 March 2025. 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.

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.

Climate metrics

	Weighted Average Carbon Intensity (tCO ₂ e / US\$m sales)	Coverage by portfolio weight (%)
US Dollar A-H Accumulation	34,80	96,77%
Benchmark	94,86	98,30%

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 may allow 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 combined income and capital growth that is higher than that of the short-dated investment grade corporate bond market (as measured by the iBoxx EUR Corporates 1-3 year Index) over any five-year period while applying environmental, social and governance (ESG) criteria. At least 80% of the fund is invested in investment grade bonds issued by companies from anywhere in the world and asset-backed securities. The fund manager considers principal adverse impacts on sustainability factors when investing. The bonds held in the fund are generally issues due to be repaid within a short period so as to minimize the effect of interest rate movements on the fund's value. Engagement to help companies improve their behaviour and transparency regarding ESG forms a key part of the fund's investment approach. Asset allocation and stock selection are at the heart of the fund's investment process. The fund invests in securities that meet the ESG criteria, applying an exclusionary approach as described in the prospectus. 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 150% of its 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 26 October 2018, the non-sterling assets of the M&G Short Dated Corporate Bond Fund, a UK-authorised OEIC, merged into the M&G (Lux) Short Dated Corporate Bond Fund, a Luxembourg-authorised SICAV, which launched on 26 October 2018. The SICAV is run by the same fund manager, applying the same investment strategy, as the UK-authorised 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.

The M&G (Lux) Short Dated Corporate Bond Fund is a sub-fund of M&G (Lux) Investment Funds 1.

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