

# M&G (Lux) Optimal Income Fund

HKD Class A-H M – Distribution shares



Fund Factsheet as at 30 April 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 of investments and the income from them will fall as well as rise and investors may not recoup the original amount they invested.

**Derivatives instruments risk.** Derivative instruments can be highly volatile and expose investors to a high risk of loss. Depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited.

**Exposure greater than net asset value.** Derivative instruments may be used to generate exposure to investments exceeding the Net Asset Value of the Fund, thereby exposing the Fund to a higher degree of risk.

**Short sales.** Short positions reflect an investment view that the price of the underlying asset is expected to fall in value. Accordingly, the short position could involve losses of the Fund's capital due to the theoretical possibility of an unlimited rise in their market price.

**ESG data risk.** ESG information from third-party data providers may be incomplete, inaccurate or unavailable, 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](http://www.mandg.com/investments/private-investor/en-sg)

## Key information

<b>Fund manager(s)</b>	Richard Woolnough, Stefan Isaacs
<b>Fund manager tenure from</b>	20 April 2007
<b>ISIN</b>	LU1959279446
<b>Launch date of fund</b>	05 September 2018
<b>Launch of share class</b>	26 April 2019
<b>Fund size (millions)</b>	HKD 75,493.15
<b>Fund Base Currency</b>	EUR
<b>Fund type</b>	SICAV
<b>Benchmark</b>	1/3 Bloomberg Global Agg Corporate Index HKD Hedged, 1/3 Bloomberg Global High Yield Index HKD Hedged, 1/3 Bloomberg Global Treasury Index HKD Hedged
<b>Number of issuers</b>	190
<b>Average credit rating<sup>1</sup></b>	A+
<b>Modified duration (years)</b>	7.10
<b>SFDR Article Classification</b>	8

<sup>1</sup>See important information section for explanation of average credit rating methodology.

## Charges

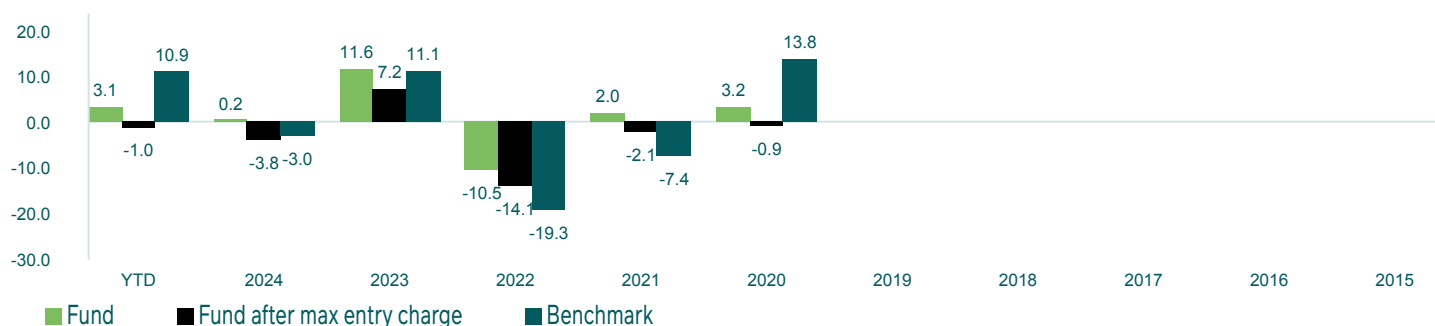
<b>Maximum entry charge</b>	4.00%
<b>Annual Management Charge</b>	1.25%

## Things you should know

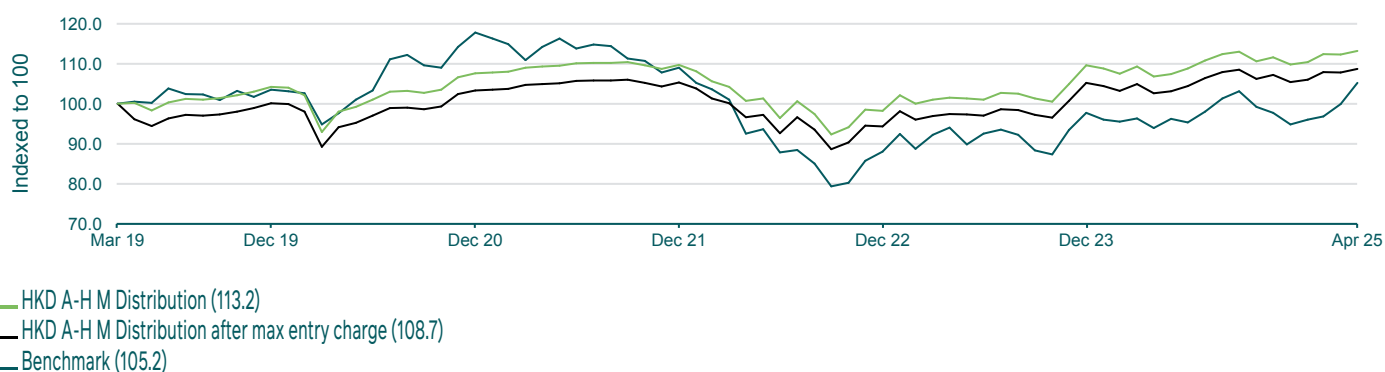
The fund allows for the extensive use of derivatives.

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.
HKD A-H M Distribution	0.8%	2.6%	2.3%	3.1%	6.0%	4.0%	2.9%	-
HKD A-H M Distribution after max entry charge	-3.2%	-1.5%	-1.8%	-1.0%	1.7%	2.6%	2.1%	-
Benchmark	5.3%	9.5%	5.4%	10.9%	12.0%	4.4%	1.5%	-

**Benchmark:** Until 24 August 2021 the name of the benchmark was 1/3 Bloomberg Barclays Global Aggregate Corporate Index HKD Hedged, 1/3 Bloomberg Barclays Global High Yield Index HKD Hedged, 1/3 Bloomberg Barclays Global Treasury Index HKD Hedged.

The benchmark is a comparator against which the fund's performance can be measured. The composite 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. The benchmark is not an ESG benchmark and is not consistent with the ESG Criteria.

The composite index was introduced as the fund's benchmark on 7 September 2018.

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

## Fund Codes and Charges

Share class	ISIN	Currency	Share class launch date	Ongoing charge	Minimum initial investment	Minimum top up investment	Distribution frequency
HKD A-H Acc	LU1959279362	HKD	26/04/2019	1.36%	HKD9,000	HKD700	-
HKD A-H M Inc	LU1959279446	HKD	26/04/2019	1.37%	HKD9,000	HKD700	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	51.8	0.0	0.0	51.8
Banking	15.4	0.0	0.0	15.4
Insurance	5.4	0.0	0.0	5.4
Foreign Sovereign	2.6	0.0	0.0	2.6
Asset backed	1.9	0.0	0.0	1.9
Financial services	1.7	0.0	0.0	1.7
Utility	1.6	0.0	0.0	1.6
Energy	1.1	0.0	0.0	1.1
Technology & electronics	0.9	0.0	0.0	0.9
Real Estate	0.9	0.0	0.0	0.9
Capital goods	0.8	0.0	0.0	0.8
Transportation	0.8	0.0	0.0	0.8
Commercial Mortgage Backed	0.8	0.0	0.0	0.8
Telecommunications	0.7	0.0	0.0	0.7
Leisure	0.7	0.0	0.0	0.7
Media	0.5	0.0	0.0	0.5
Consumer goods	0.4	0.0	0.0	0.4
Automotive	0.3	0.0	0.0	0.3
Basic industry	0.3	0.0	0.0	0.3
Healthcare	0.2	0.0	0.0	0.2
Equity	0.1	0.0	0.0	0.1
Agency	0.1	0.0	0.0	0.1
Retail	0.1	0.0	0.0	0.1
Futures	0.0	0.0	0.0	0.0
High Yield indices	0.3	0.0	5.5	5.8
Cash	10.6	0.0	0.0	10.6

### 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
Legal & General	0.7
Barclays	0.7
UBS Group	0.7
JP Morgan	0.7
RBS	0.7

### Currency breakdown (%)

	Fund
Euro	99.8
British pound	0.1
US dollar	0.0
New Zealand dollar	0.0
Australian dollar	0.0
South African rand	0.0
Singapore dollar	0.0
Hong Kong dollar	0.0
Swiss franc	0.0

### Credit rating breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
AAA	10.8	0.0	0.0	10.8
AA	41.5	0.0	0.0	41.5
A	10.9	0.0	0.0	10.9
BBB	20.3	0.0	0.0	20.3
BB	4.7	0.0	3.1	7.8
B	0.9	0.0	2.4	3.3
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	0.1	0.0	0.0	0.1
Cash	10.6	0.0	0.0	10.6

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	31.2	0.0	0.0	31.2
UK	17.6	0.0	0.0	17.6
Germany	10.8	0.0	0.0	10.8
France	9.4	0.0	0.0	9.4
Ireland	3.5	0.0	0.0	3.5
Spain	3.2	0.0	0.0	3.2
Italy	3.0	0.0	0.0	3.0
Netherlands	1.7	0.0	0.0	1.7
Other	8.7	0.0	0.0	8.7
High Yield indices	0.3	0.0	5.5	5.8
Cash	10.6	0.0	0.0	10.6

### Duration by currency and asset class (years)

	Physical	Futures	Swaps	Net
Euro	3.7	-0.1	-1.8	1.8
British pound	1.9	0.0	-0.7	1.2
US dollar	3.4	0.7	-0.2	4.0
Other	0.1	0.0	0.0	0.1
Total	9.1	0.6	-2.6	7.1

### Asset breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
<b>Government bonds</b>	<b>54.4</b>	<b>0.0</b>	<b>0.0</b>	<b>54.4</b>
<b>Investment grade corporate bonds</b>	<b>27.5</b>	<b>0.0</b>	<b>0.0</b>	<b>27.5</b>
Fixed rate	27.5	0.0	0.0	27.5
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
<b>High yield corporate bonds</b>	<b>4.7</b>	<b>0.0</b>	<b>5.5</b>	<b>10.3</b>
Fixed rate	4.3	0.0	0.0	4.3
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	5.5	5.8
<b>Securitized</b>	<b>2.7</b>	<b>0.0</b>	<b>0.0</b>	<b>2.7</b>
<b>Equities</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>
<b>Other</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Cash</b>	<b>10.6</b>	<b>0.0</b>	<b>0.0</b>	<b>10.6</b>

### Maturity breakdown (%)

	Physical
0 - 1 years	0.9
1 - 3 years	5.7
3 - 5 years	6.6
5 - 7 years	12.6
7 - 10 years	18.3
10 - 15 years	9.3
15+ years	35.9
Cash	10.6
Other	0.1

## Important information

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

In Singapore, this material is issued by M&G Investments (Singapore) Pte. Ltd. (Co. Reg. No. 201131425R), who is regulated by the Monetary Authority of Singapore.

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](http://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.<sup>1</sup>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.

**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.

**Performance charts © 2025 Morningstar Inc., All Rights Reserved.** The information contained within: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Contact us:

[www.mandg.com/investments/private-investor/en-sg](http://www.mandg.com/investments/private-investor/en-sg)

Tel: +65 6982 7770