

公開說明書

(中文節譯本)

M&G (Lux)投資基金(1)

於盧森堡設立之可變資本投資公司 (SICAV)，為各子基金個別承擔責任之可轉讓證券集體
投資企業 (UCITS) 傘型基金

2024 年 10 月 23 日

[本公開說明書中文節譯本僅供參考，若與英文版公開說明書有任何歧異，概以英文版公開說明書內容為準。]

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重要資訊

若您對本公開說明書之內容有任何疑問，請諮詢您的證券經紀商、銀行經理、律師、會計師或其他財務顧問。

名錄中列名之董事：

- 就本公開說明書中所載資訊及陳述負連帶責任；
- 已盡合理注意確保於本公開說明書發行之日，本公開說明書所載事實就所有重要事項皆為真實且正確，且未遺漏可能造成誤導事實或意見之其他重要事實；及
- 因此就本公開說明書中所載資訊負責。

M&G (Lux) 投資基金(1) (下稱「本公司」) 為依據盧森堡大公國法律設立之可變資本投資公司，受 UCI 法律第 I 部分之規範並符合可轉讓證券集合投資計畫(UCITS)資格。

除本公開說明書或本公司或管理公司所核准之任何其他文件所詳列者外，本公司未再授權任何人就股份募集事宜提供任何資訊或為任何聲明；如有該等資訊或聲明，切勿將該等資訊及聲明視為本公司所為並予倚賴。

本公開說明書須與一或多份基金補充文件（各稱「**基金補充文件**」）共同發行，各補充文件載列個別基金之相關資訊。成立新基金須取得 CSSF 之事前核准。本公開說明書及基金補充文件應視為一份文件併同閱讀。如本公開說明書與基金補充文件有所抵觸，應以基金補充文件為準。

如成立其他股份級別，將依 CSSF 之規定進行。

股份之申購須遵守本公開說明書（及相關基金補充文件）及重要投資人資訊文件（下稱「**KID**」）。

最近期之年報（包括經查核之財報）及最近期之半年報（包括未經查核之財報）可於註冊及過戶代理人之營業處所索取。在任何狀況下，本公開說明書之交付（無論是否併同交付任何報告）及股份之發行均不構成本公司事務自本公開說明書日期以來並未變動之默示。

基金可能銷售予散戶或機構投資人。各基金之典型投資人簡介載於各重要投資人資訊文件（**KID**）及各基金補充文件。

本公司之股東受公司章程條款之拘束（其被視為持有公司章程條款）。

本公開說明書係以本公開說明書日期當天盧森堡現行資訊、法律及實務（其可能隨時修訂）為基礎。一旦本公司發布了新的公開說明書，即不受過期之公開說明書所拘束，投資人應與行政代理人或銷售機構確認此文件是否為最新之公開說明書。

本公司提醒投資人，投資人以自己名義登記於股東名簿時，始得充分直接行使其對本公司之權利（尤其是參與股東大會之權利）。若投資人透過中介機構以其名義投資本公司，則 (i) 投資人可能無法直接行使對本公司之股東權利，(ii) 若發生資產淨值錯誤/不遵守適用於

基金的投資規則，投資者獲得賠償的權利可能會受到影響，且只能間接行使。有關本公司營運或行銷之申訴請洽管理公司、註冊及過戶代理人（致電：+352 2605 9944或以電子郵件寄至：csmandg@caceis.com）。

本公開說明書及任何相關之非契約義務應受盧森堡法律規範。關於本公開說明書（包括任何相關之非契約義務）所生爭議導致之任何訴訟或訴訟程序，各當事人不可撤回地同意受盧森堡法院之管轄。

股份銷售之限制

股份並未於任何當地法律禁止其募集或銷售之司法管轄區或向任何不符合資格之人士進行募集或銷售。

本公開說明書之分送及股份之募集在某些地區可能受到限制或被禁止，本公司在此要求收受本公開說明書之人應自行瞭解並遵行該等限制。於任何司法管轄區收受本公開說明書之人不得將本公開說明書視為申購股份之邀請、要約或要約之誘引，除非該邀請無須遵守相關司法管轄區之任何註冊或其他法規要求即可合法進行。

收受本公開說明書之人有責任自行確認並遵守所有適用之法規。下列資訊僅為一般說明。

盧森堡 - 本公司係依 UCI 法律第 I 部分註冊。惟該註冊並非表示任何盧森堡主管機關對本公開說明書內容之適當性或正確性或各基金所持有之資產做出擔保。任何相反之表述皆未經授權且不合法。

本公司可能於盧森堡以外之司法管轄區申請註冊及銷售股份，且可能須於相關司法管轄區委任付款代理人、代表人、銷售機構或其他代理人。

歐盟 - 本公司為 UCITS 指令所規範之可轉讓證券集體投資企業(UCITS)，董事提議於歐盟/歐洲經濟區之部分會員國依 UCITS 指令行銷股份。

非歐盟-董事將於部分非歐盟/非歐洲經濟區之司法管轄區註冊及銷售特定基金之股份。

截至本公開說明書之日期，基金之股份並無在下列司法管轄區註冊及銷售：

■ 澳洲

此公開說明書並非 2001 年《公司法》轄下的公開說明書或產品公開說明，且不構成在澳洲對任何證券的買進建議、申請邀約、申請或購買的要約、安排發行或銷售的要約、發行或銷售的要約，除了以下所述。公司未被授權，也未準備對澳洲證券投資委員會提交澳洲法規遵循公開說明書或產品公開說明。

此公開說明書將不會於澳洲發行或分配，除了根據《公司法》第 6D.2 節或 7.9 節或其他，而不需向投資人公開的邀約或要約之人，替代投資基金經理人或任何其他人士根據《替代投資基金管理人指令》也將不會在澳洲募集、發行、銷售或分配公司股票。

此公開說明書不構成或包含買進建議、發行或銷售的邀約及要約、安排發行或銷售的邀約及要約、或安排在澳洲對「零售客戶」(定義於《公司法》第 761G 段及適用

法規)的股票發行或銷售。

- 汶萊

此公開說明書與 2013 年《證券市場規範》下及在此之下的法規有關的私人證券集體投資計畫。

此公開說明書僅針對特定投資人(包含合格投資者、專業投資人、或《證券市場規範》之下的機構投資人)，因此絕不可交給或允諾於零售客戶。

官方並不對與證券投資計畫相關的任何說明書及文件的核准與查證負責。官方並未許可此公開說明書或其他任何相關文件，也無採取行動來解釋此公開說明書的資訊之責任。

與此公開說明書相關之股份可能在轉售時，缺乏流動性或是受到限制。有意購買者需自行對該股份進行盡職調查。

- 加拿大

此公開說明書僅屬於此公開說明書中提及的股票，並限於這些法律管轄區和這些可合法銷售股票的人。此公開說明書並非，亦不該在任何情況下被視為廣告或對此公開說明書內股票在加拿大的公開發售。無任何加拿大證券委員會或相似的官方機構曾核准或以任何方式通過此文件和此公開說明書中的股票之實質內容，而與此相反的代表也將被視為冒犯。

- 中國

此公開說明書，不論是在中華人民共和國(不包含香港、台灣及澳門)透過銷售或申購，均不構成股份的公開發售。這些股份不直接或間接的在中國銷售，也不銷售予在中國的法人或自然人。

另外，中國的法人或自然人不能在未取得必需的政府許可之下(不論是否有法律規範底)，直接或間接在中國購買任何股份或任何可受益的權益。本公開書名書之發行人及其代理人，應要求持有此公開說明書之人了解這些限制。

- 香港

警告：此公開說明書內容並未被任何香港的主管機關註冊。建議投資者須對相關的要約保持謹慎。投資者若對此公開說明書的內容有任何疑慮，請諮詢獨立專業人士的建議。

此公開說明書並未向香港的公司註冊處註冊。此公司為一證券投資計畫(根據香港《證券及期貨條例》)，但並未被從屬於《證券及期貨條例》的證券及期貨事務監察委員會授權。因此，除以下人士之外，將不會在香港藉由任何文件提供或銷售股份：根據香港《證券及期貨條例》及任何依《證券及期貨條例》訂定的規則或不構成香港《公司條例》中如「公開說明書」的情況(清盤及雜項條文)和《公司條例》或《證券及期貨條例》中未構成《公司條例》定義下的公眾要約之專業投資人。

- 印尼

此公開說明書不構成任何在印尼公開售出或買入股份的要約。

- 印度

股份並未提供予印尼大眾銷售或申購。股份並未被印度證券交易委員會、印度儲備銀行，或任何其他印度政府/法治官方註冊或核准。此公開說明書並非也不該被認為是依照 2013 年的公司法(第 18 段)規範所定義的「公開說明書」，同樣的也不該被提交至任何印度的主管機關。公司未保證或承諾將退回任何一部份投資人投資於股份之資金，而投資於股份的部位將受與投資股份相關的對應風險影響，且不該構成 2019 年《未獲核准帳戶禁令》所定義的存款。根據 1999 年的《外匯管理法》及相關的規範，任何定居於印度的投資人在進行境外投資(包含對本公司的投資)前，必須先經由印度儲備銀行許可。公司並未取得印度儲備銀行或其他主管機關的許可。

- 馬來西亞

馬來西亞證券委員會根據 2007 年的《馬來西亞資本市場與服務》第 212 段，尚未也將不會接受此公開說明書的提交或向馬來西亞證券委員會的註冊。股份將不會被視為發行、可提供註冊或可購買，而此公開說明書或其他相關的文件也將不會被提供或流通於馬來西亞。

- 紐西蘭

此公開說明書並非 2013 年《金融市場行為法案》定義下的一份產品公開說明，也並未包含在那樣的文件中，慣例上會提供的所有資訊。

此股份的提供並不構成《金融市場行為法案》定義的「合法的提供」，也因此並非一份產品公開說明，也無註冊許可。股份可能只提供予《金融市場行為法案》清單 1 第 3(2)點定義的「批發投資人」或其他不違反《金融市場行為法案》的狀況。

- 菲律賓

任何根據《證券規範法規》第 10.1 段宣稱為可豁免者（或是獲豁免的交易），必須對任何依賴該豁免而向其募集或出售證券的當事人提供下列資訊的書面揭露：

(1)《證券規範法規》第 10.1 段宣稱豁免註冊的具體條文

(2)以下敘述必須以明顯的粗體表示：

被募集或銷售的股份並未依菲律賓《證券規範法規》受證券交易委員會核准。除非該募集或銷售符合豁免的資格，否則未來任何要約或銷售須遵從法規內的註冊規定。在投資人為法規 10.1(1)定義的「合格買家」認知下銷售股份時，此交易豁免註冊規定。

透過購買該股份，投資人將被視為承認該股份的發行、認購或購買要約、認購或購買邀約是在菲律賓外進行的。

- 新加坡

除了在本公司的新加坡公開說明書（附錄和納入本公開說明書）中所列之基金（"受認可基金"），其係根據《證券及期貨條例》第 296(1) 條在新加坡金融管理局（"MAS"）所註冊，其他基金並未經 MAS 授權或認可。

如本公開說明書是《2005 年證券及期貨（投資要約）（集體投資計劃）規例》附表 6 所列作為限制計劃的新加坡資料備忘錄（"有關股票"）發售基金的股份（"有關股份"）的一部分，則要約或邀請該基金認購或邀請該基金或《2005 年證券及期貨（投資要約）規例》附表 6 所載的股份（"i)根據《2001 年證券及期貨條例》（《證監會》）

第 304 條向"機構投資者"、(ii)根據《證監會》第 305(1)條向"有關人員"、(iii)向符合《證監會條例》第 305(1)條向"有關人員"發出的豁免要約；根據《稅務條例》第 305(2)條發出的要約的規定,以及/或(iv)根據《稅務條例》第 305(2)條發出的要約的規定,以及根據《稅務條例》第 305(2)條發出的要約,以及根據《稅務條例》第 305(2)條發出的要約。

除非符合《證券及期貨條例》的限制和條件，否則不得進行免豁免發售或邀請購買相關股份，也不得（直接或間接地）向新加坡的任何人士傳遞（包括新加坡資訊備忘錄在內）涉及免豁免發售相關股份的文件。儘管承認的基金的地位，新加坡資訊備忘錄所涉及的發售或邀請不得向新加坡的零售公眾進行。通過根據新加坡資訊備忘錄的免豁免發售申購相關股份，您必須遵守《證券及期貨條例》關於您的發售、持有和後續銷售或轉讓相關股份的限制和條件。

若相關股份根據《證券及期貨條例》第 305 條由相關人士申購或購買，該相關人士必須符合以下條件之一：

- 是一家公司（並非《證券及期貨條例》第 4A 條所定義的獲得認可的投資者），其唯一業務是持有投資，且整個股本由一個或多個個人擁有，且每位個人都是獲得認可的投資者；或
- 是一個信託（信託受託人不是獲得認可的投資者），其唯一目的是持有投資，且信託的每位受益人都是獲得認可的投資者，該公司的證券（依據《證券及期貨條例》定義）或該信託中受益人的權利和利益（無論如何描述）在該公司或該信託根據《證券及期貨條例》第 305 條發行的相關股份獲得後，未來 6 個月內不得轉讓，除非：
 - 轉讓給機構投資者或根據《證券及期貨條例》第 305(5)條定義的相關人士，或來自《證券及期貨條例》第 275(1A)條或第 305A(3)(c)(ii)條所述的提供；
 - 轉讓時未提供或不會提供任何酬勞；
 - 轉讓是根據法律運作；
 - 依據《證券及期貨條例》第 305A(5)條指定；或
 - 依據新加坡《證券及期貨（投資提供）（集體投資計劃）規例 2005》第 36A 條指定。

《新加坡資訊備忘錄》並非《證券及期貨條例》所定義的說明書，因此，就公開說明書內容而言，並不適用《證券及期貨條例》所規定的法定責任。新加坡金融管理局對於《新加坡資訊備忘錄》的內容不承擔任何責任。您應該仔細考慮投資是否適合您，以及是否被允許（根據《證券及期貨條例》及適用於您的任何法律或法規）投資相關股份。如有疑問，您應諮詢您的法律或專業顧問。

■ 台灣

在台灣相關法規允許的範圍內，本公司股份可透過經許可的金融機構在台灣境外銷售，供台灣居民投資者或台灣投資人購買。但不得在台灣以其他方式提供或出售。

■ 泰國

此公開說明書並未被泰國證券交易委員會核准，其不對內容負任何責任。在泰國，

本公司股份將不會向大眾提供購買要約，且此公開說明書僅供收信人閱讀，不得傳遞、發行、或展示給一般大眾。

■ 阿拉伯聯合大公國

此公開說明書及股份邀約並未被阿拉伯聯合大公國中央銀行或其他任何阿拉伯聯合大公國相關的權責或政府機關核准。此公開說明書極為機密且尚未被任何阿拉伯聯合大公國相關的權責或政府機構核閱、保管、或註冊。此公開說明書僅被發行給阿拉伯聯合大公國境內外限定數量的法人，不得提供給非原始收件人，原始收件人亦不得重製或用於其他目的。在阿拉伯聯合大公國，本公司之股份不會直接或間接的提供或銷售給一般大眾。

■ 美國

本公司之股份並未，且不會依經修訂之 1933 年美國證券法註冊或依美國任何一州之證券法規註冊或取得資格，且除少數交易豁免註冊或資格要求之情況外，本公司之股份不得直接或間接向美國境內之投資人或美國人士募集、銷售、移轉或交付或為美國人士取得股份。美國證券管理委員會、美國任何一州證券管理委員會或其他美國主管機關均未核准或否決任何股份，上述機關亦未就募集股份之實質內容或本公開說明書之正確性或適當性進行核准或背書。本公司不會依經修訂之美國 1940 年投資公司法註冊。

公司章程賦予董事於其認為必要時施加限制之權力，以確保本公司之股份並未被任何人在違反法律或任何國家或政府機關規定之情況下取得或持有，或董事認為被任何人持有可能導致本公司產生原本不會產生之任何責任或稅負或任何原本不會遭受之其他不利情況下取得或持有，特別是投資本公司之美國人士所導致之情形時。本公司得強制贖回該等人士持有之全部股份。

管理公司保留在接受認購請求之前要求投資者書面聲明其遵守上述限制的權利。

股份之價值有漲有跌，股東於移轉或贖回股份時可能無法取回原始投資之金額。股份之收益可能波動且匯率之變動可能造成股份價值之漲跌。稅負之標準及基礎以及減免規定可能變動。無法保證將可達成任何基金之投資目標。

投資人應自行了解依其公民資格、居所或住所地國家之法律，對於申購、購買、持有、轉換、贖回或處分本公司之股份所可能面臨之稅務影響、外匯限制或外匯管制規定，並應就相關法規要求取得適當建議。

本公開說明書之副本及最新之重要投資人資訊文件（KID）可向註冊及過戶代理人索取。

一般資訊

本公開說明書、任何基金補充文件及重要投資人資訊文件（KID）亦可能翻譯為其他語言。任何該等翻譯應僅包含與英文版公開說明書、基金補充文件及重要投資人資訊文件（KIID）相同之資訊及具相同之含義。除非股份銷售地之任何司法管轄區法律要求公開說明書或重要投資人資訊文件（KID）須以英文以外之語言揭露，而應以該語言版本之公開說明書/基金補充文件/重要投資人資訊文件（KID）為準外，若英文版本之公開說明書/基金補充文件/重要投資人資訊文件（KID）及其他語言版本之公開說明書/基金補充文件/重要投資人資訊文件

(KID)間有任何不一致之情況，以英文版本之公開說明書/基金補充文件/重要投資人資訊文件 (KID) 為準。

投資人在投資本公司之前應閱讀並考量「風險因素」章節。投資之價值及投資收益可能下跌或上漲，投資人可能無法取回原始投資基金之金額。無法保證任何基金將可達成其目標或達到特定之績效。

本公司並不代表管理公司、投資管理機構、存託機構或任何其他人士或機構，亦未經前述人士或機構之擔保。

名錄

註冊辦公室

16, boulevard Royal
L-2449 Luxembourg
Luxembourg

董事

- Laurence Mumford，董事長
- Philip Jelfs
- Susanne Van Doottingh，獨立董事
- Yves Wagner，獨立董事
- Nadya Wells，獨立董事

管理公司及註冊地代理人

M&G Luxembourg S.A.
16, boulevard Royal
L-2449 Luxembourg
Luxembourg

管理公司董事

- Neal Brooks
- Matthias Doerscher
- Sean Fitzgerald
- Micaela Forelli
- Darren Judge
- Keith Burman – 獨立董事

管理公司事務主管

- Matthias Dörscher – 資訊科技，包含銷售營運
- Forbes Fenton – 投資組合管理
- Micaela Forelli – 分支機構監督與銷售
- Olalekan Hassan – 財務
- Darren Judge – 營運暨銷售
- Remi Kamiya – 風險管理
- Elina Vincent – 金融犯罪法令遵循暨法令遵循（臨時）

投資管理機構

M&G Investment Management Limited
10 Fenchurch Avenue
London EC3M 5AG
United Kingdom

次投資管理機構

M&G Investment (Singapore) Pte. Ltd
138 Market Street, #35-01 CapitaGreen
Singapore 048946

M&G Investment (USA) Inc.
30 South Wacker Drive, Suite 3750
Chicago 60606
Illinois
United States of America

投資顧問

responsAbility Investments AG
Zollstrasse 17
8005 Zürich
Switzerland

行政及居籍代理人

State Street Bank International GmbH,
Luxembourg Branch
49 Avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

存託機構

State Street Bank International GmbH,
Luxembourg Branch
49 Avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

註冊及過戶代理人

CACEIS BANK, LUXEMBOURG BRANCH
5, Allée Scheffer L-2520 Luxembourg
Luxembourg

查核簽證會計師

Ernst & Young S.A.
35E, avenue John F. Kennedy
L-1855 Luxembourg
Luxembourg

法律顧問

Elvinger Hoss Prussen, *société anonyme*
2, place Winston Churchill
L-1340 Luxembourg
Luxembourg

定義

術語定義

以下術語具有這些特定含義，並透過參考本公開說明書中包含的更詳細的資訊來完整地限定其含義。對法律和文件的所有引用均適用於不時修訂的那些法律和文件。

「2010 法律 或是 UCI Law」	盧森堡 2010 年 12 月 17 日頒布的承諾集體投資法。公開說明書中未針對詞語與表達做定義，但其與在 2010 年法律中定義的詞語具有相同的含義。
「累積股份」	所有收益皆累積並計入基金資本之股份。
「行政協議」	訂立於 2016 年 12 月 5 日之行政協議，行政代理人已依該協議受委任提供服務予本公司。
「行政代理人」	State Street Bank International GmbH, Luxembourg Branch。
「公司章程」	本公司之章程。
「AUD」	澳洲貨幣澳幣。
「查核簽證會計師」	Ernst & Young S.A.。
「基礎貨幣」	本公司之基礎貨幣為歐元。
「基準監管」	歐洲議會和理事會於 2016 年 6 月 8 日頒布的 (EU) 2016/1011 條例，規定在金融工具和金融合約中用作基準或衡量投資基金表現的指數（以及修訂指令 2008/48 / EC 和 2014 / 17 / EU 和法規 (EU) 596/2014）。
「董事會」	公司的董事會
「BRL」	巴西貨幣里拉
「營業日」	除非基金補充文件另有訂定，應指英格蘭及盧森堡之銀行皆開放正常處理銀行業務之日。為茲明確，12 月 24 日及 12 月 31 日皆視為營業日，除非該日為周末。
「Caisse de Consignation」	盧森堡政府機構負責保管無人認領的資產。
「遞延申購手續費」	自原始申購日起三年內贖回 X 類股份的收益中扣除的費用，該費用逐年遞減。

「CHF」	瑞士法郎
「級別」或「股份級別」	各基金已發行或將發行之股份級別。
「CNH」	中國離岸人民幣，可在中國境外使用，主要在香港交易。 CNY（離岸）和 CNH（在岸）的價值可能不同。
「CNY」	可在中國境內使用之中國在岸人民幣。
「本公司」	M&G (Lux)投資基金(1)。
「CSDCC」	中國證券登記結算責任有限公司
「CSSF」	<i>Commission de Surveillance du Secteur Financier</i> （盧森堡金融監管委員會）或其後繼者，為盧森堡大公國負責監督 UCIs 之盧森堡主管機關。
「CSSF 通函 04/146」	2004 年 6 月 17 日發布關於保護集體投資企業及其投資人免於逾時交易與擇時交易之 CSSF 通函 04/146 及其修訂。
「CSSF 規則 12/02」	2012 年 12 月 14 日發布關於洗錢防制及打擊資助恐怖主義之 CSSF 規則 12/02 及其修訂。
「貨幣避險股份級別」	採用貨幣避險策略之級別。
「交易日」	除非基金補充文件另有訂定，應指任何營業日。
「交易截止時間」	各交易日下午 1 點（盧森堡時間）或董事決定之其他時間。
「存託機構」	State Street Bank International GmbH, Luxembourg Branch。
「存託機構協議」	訂立於 2016 年 12 月 5 日之存託機構協議，存託機構已依該協議受委任提供保管服務予本公司。
「董事」	本公司目前董事會之成員及任何由其合法組成之委員會，及隨時委任之該等成員之任何後繼者。
「入息股份」	定期分配股息給股東之股份。
「註冊地代理人」	M&G Luxembourg S.A.
「合格交易對手」	在 2014/65/EU 指令第 30（2）條中，金融工具市場上被指定為合格對手方的實體，以及根據本國法律（第 30 條第 3

款的規定)的實體指令 2014/65 / EU 和委員會委託的法規 2017/565 / EU 的第 71 條第 1 款被認定為合格對手方。符合條件的交易對手本身是：

- 投資公司；
- 信貸機構；
- 保險公司；
- 退休基金及其管理公司；
- UCITS 及其管理公司；
- 根據歐盟法律或歐盟成員國國家法律授權或監管的金融機構；
- 各國政府及其相應的辦公室，包括在國家一級處理公共債務的公共機構；和
- 中央銀行和超國家組織

出於股份類別資格要求的目的，上述投資公司，信貸機構以及被授權和受監管的金融機構必須透過自己的代表或管理自己資產的組織來認購股份類別。

「歐洲市場基礎設施法規」
(EMIR)

經 OTC 2019/834 修訂的有關 OTC 衍生品、中央交易對手和交易庫的 EU 648/2012 法規。

「ESMA」

歐洲證券及市場管理局或其後繼機構，為一獨立之歐盟機關，藉由確保證券市場之公正、透明、效率與正常運作，以致力維護歐盟金融體系之穩定並強化投資人保護。

「ESMA 指導方針
2014/937」

ESMA 於 2014 年 8 月 1 日公布關於 ETF 及其他 UCITS 議題之指導方針 (ESMA/2014/937)，於 2014 年 10 月 1 日生效並於盧森堡施行，其後可能隨時經修訂、補充及/或施行。

「歐盟」

歐洲聯盟。

「歐盟成員國」

歐洲聯盟中的國家。

「EUR」

歐元。

「FATCA」	美國刺激就業法之條款，一般稱為海外帳戶稅收遵循法。
「基金」	符合 UCI 法律第 181 條定義而由本公司所成立之特定資產池。
「基金補充文件」	本公開說明書之補充文件，係載明一基金之若干資訊。
「全球銷售機構」	M&G Luxembourg S.A.
「集團」或「集團公司」	隸屬於同一企業組織之公司，其需依經修訂之 1983 年 6 月 13 日有關合併報表之理事會指令 83/349/EEC 及經認可之國際會計規則編制合併報表。
「強勢貨幣」	<p>廣泛為國際支付所接受之貨幣，通常係由具有強健、穩定經濟及政治情勢之國家所發行。</p> <p>一般而言，全球流通度最高的貨幣為美元、歐元、日圓、英鎊、瑞士法郎、加幣、澳幣、紐幣及南非幣。</p>
「高水位」或「HWM」	用以確保僅於一股份級別之每股資產淨值在本公司年度會計期間有所增加時始收取績效費之績效基準點。
「門檻」	收取績效費前須超過之價值。
「要求報酬率」	適用於基金之相關績效費指標。
「不合格投資人」	<p>董事認為將股份（之法律上權利或受益權）轉讓予其或由其持有股份（之法律上權利或受益權）可能導致下列情事之任何人：</p> <ul style="list-style-type: none"> a) 違反任何國家或領地規定該人士不得持有該等股份之任何法律（或主管機關之規定）；或 b) 使本公司、管理公司或投資管理機構須依法註冊為投資基金或進行其他註冊，或導致本公司之股份須遵守美國或任何其他司法管轄區之註冊要求；或 c) 造成本公司、其股東、管理公司或投資管理機構遭受其原本不會遭受之法律、規管、稅務、財務或重大行政上不利情事。

「首次募集期間」

相關基金補充文件所載有關股份首次募集而由董事針對任何基金或股份級別設定之期間。

「機構投資人」

依 UCI 法律第 174 條定義之機構投資人（CSSF 將不時就此概念作出解釋）。例如：

- 那些由他們自行申購的銀行和其他金融業專業人員、保險和再保險公司、社會保障機構和退休基金，工業、商業和金融集團公司，以及管理此類機構投資者自有資產的組織
- 以自己的名義但代表上述機構投資者投資的信貸機構和其他金融業專業人士
- 基於客戶全權委託管理而以自己名義投資的信貸機構和其他金融業專業人士
- 集體投資計劃及其管理者
- 如前段所述，其單位持有人為機構投資者的控股公司或類似實體
- 控股公司或類似實體，無論是否在盧森堡，其單位持有人/實益擁有人為非常富有的個人，且可以合理地被視為老練投資者，而控股公司的目的是為個人或家庭持有重要金融利益/資產
- 控股公司或類似實體，由於其結構、活動和實體而自行構成機構投資者
- 政府、超國家、地方當局、市政當局或其機構投資經理負責基金投資管理和諮詢功能的實體。

「中介股東」

名稱登載於本公司股東名冊或透過擔任名義人之第三人間接持有股份之公司，且其（a）並非相關股份之受益人；及（b）並不代表相關股份之受益人管理投資；或（c）並不擔任集體投資計畫之存託機構或代表該存託機構持有計畫之資產。

「投資顧問」

responsAbility Investments AG. 為提供基金諮詢的實體。

「投資管理契約」	投資管理契約，投資管理機構已依該契約受委任提供全權委託投資管理服務予本公司及各基金。
「投資管理機構」	M&G Investment Management Limited。或由投資管理機構任命的次投資管理機構（如適用）。為基金進行投資管理及諮詢職責的個體。
「IRS」	美國國稅局。
「JPY」	日圓。
「KID」	重要投資者資訊文件，為法律要求的契約前文件，簡要描述特定基金的特定股份類別的目標、政策、風險、成本、過去表現以及其他相關資訊。
「盧森堡」	盧森堡大公國。
「管理契約」	訂立於 2016 年 12 月 5 日之管理契約，管理公司已依該契約受本公司之委任。
「管理公司」	M&G Luxembourg S.A.。
「會員國」	歐盟之會員國。非為歐盟會員國但為建立歐洲經濟區之締約國，於該協議及相關法規之限度內亦視為相當於歐盟之會員國。
「MiFID」	2014 年 5 月 15 日歐洲議會與理事會頒布有關金融工具市場及修訂 2002/92/EC 指令與 2011/61/EU 指令之 2014/65/EU 指令。
「最低申購金額」	「股份級別詳情」一節所載各股份級別之最低初始投資金額。
「最低後續申購金額」	「股份級別詳情」一節所載各股份級別之最低後續投資金額。
「最低持股金額」	「股份級別詳情」一節所載各股份級別之最低持股金額(如適用)。

「貨幣市場工具」	通常於貨幣市場中交易、具流動性且隨時均可正確評估其價值之工具，及 CSSF 不時發布之指導方針所定符合貨幣市場工具定義之工具。
「資產淨值」	依公司章程及本公開說明書計算之本公司、一基金或一級別（視情況而定）之資產淨值。
「每股資產淨值」	任何基金或級別之資產淨值除以相關期間該基金或級別已發行股數所得出之數額。
「NOK」	挪威克朗。
「非會員國」	非屬會員國之任何國家。
「NZD」	紐幣。
「OECD」	經濟合作暨發展組織。
「OECD CRS」	OECD 共同申報準則。
「績效費」	管理公司有權針對一基金向本公司收取之績效費（如適用），並應支付給投資管理機構，詳情請參附錄 2 及相關基金補充文件。
「中國」	中華人民共和國，但為本公開說明書之目的，不含香港、澳門及臺灣。
「中國經紀商」	被 QFI 任命之位於中國的經紀商。
「中國託管機構」	被 QFI 任命之位於中國的託管機構。
「中國證券交易所」	上海證券交易所、深圳證券交易所，以及任何未來可能在中國開設的證券交易所。
「每股價格」	除非基金補充文件另有定義，一基金或級別所發行股份依「擺動定價機制及稀釋稅」章節所載之擺動定價機制調整後之每股資產淨值。
「公開說明書」	本公開說明書及其不時之修訂或增補。
「QFI」	根據中國相關法律和法規之合格外國投資者。

「QFI 合格證券」	在 QFI 規範之下被允許擁有或交易的證券和投資
「QFI 規範」	關於在中國建立和運行合格外國投資者制度的法律和法規，可能會不時地頒布和/或修訂。人民幣（中華人民共和國的官方貨幣）用以表示境內和境外市場（主要在香港特區）交易的中國貨幣—根據上下文要求，可理解為境內人民幣（CNY）和/或離岸人民幣（CNH）。為澄清起見，所有在股份類別名稱或參考貨幣中提及到的人民幣皆為離岸人民幣（CNH）。
「參考貨幣」	用以表達及計算本基金資產淨值之貨幣。
「註冊及過戶代理人」	CACEIS BANK, LUXEMBOURG BRANCH 5, Allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg,
「註冊及過戶代理人協議」	訂立於 2016 年 12 月 6 日之註冊及過戶代理人協議，註冊及過戶代理人已依該協議受委任提供各基金相關之註冊及過戶代理服務。
「受監管市場」	MiFID 所定義之受監管市場。ESMA 將定期更新並公布 MiFID 所訂之歐盟受監管市場清單。
「人民幣」	中華人民共和國的官方貨幣。 用以表示境內（CNY）和境外（CNH）（主要在香港特區）交易的中國貨幣。 所有在股份類別名稱或參考貨幣中提及到的人民幣為離岸人民幣（CNH）。
「SAFE」	中國國家外匯管理局。
「SEK」	瑞典克朗。
「SGD」	新加坡幣。
「股份」	依文義指本公司任何級別之股份。
「股份級別貨幣」	用以呈現及計算參考標的每股資產淨值之貨幣，且可能與本基金參考貨幣不同。
「股東」	於本公司股東名冊上登錄為股份持有人者。

「SFT 法規或 SFTR」	有關證券融資交易和重用透明度的歐盟法規 2015/2365。
「可轉讓證券」	<p>(i) 股份及其他等同股份之證券；</p> <p>(ii) 債券及其他債務工具；及</p> <p>(iii) 有權透過申購或交換獲得任何此類可轉讓證券的其他有價證券，但與可轉讓證券和貨幣市場工具有關的技術和工具除外。</p>
「UCI(s)」	集體投資企業。
「UCI 法律 或是 2010 法律」	2010 年 12 月 17 日盧森堡集體投資企業法，其可能不時經修訂。
「UCITS」	依 UCITS 指令設立之可轉讓證券集體投資企業。
「UCITS 指令」	2009 年 7 月 13 日歐洲議會與理事會頒布有關可轉讓證券集體投資企業相關法規及行政規章間協調之 2009/65/EC 指令，其經 2014/91/EU 指令修訂有關保管機構職能、報酬政策及制裁。
「美國」	指美利堅合眾國（包括各州及哥倫比亞特區）及其任何領地、屬地及其他受其管轄之地區。
「美國刺激就業法」	美國刺激就業法。
「美國人」	指 1933 年美國證券法（及其修訂）之 S 條例（Regulation S）定義為美國人之任何人（個人或實體）；任何美國或其領地、屬地或受其管轄之地區居民或具美國或其領地、屬地或受其管轄之地區國籍之人士，或依美國法律設立或受美國法律管轄之任何其他公司、協會或實體或符合該等法律「美國人」定義之任何人。
「評價日」	除非基金補充文件另有載明，應指任何營業日。
「風險值」(VaR)	對正常市場條件下在給定時間間隔內可能出現的最大潛在損失進行高度置信的統計估計。
「ZAR」	南非幣蘭特。

財務及投資術語

以下術語反映了本公開說明書中的意圖。這些定義主要是訊息性的（而不是法律性的），旨針對本公開說明書中使用的某些財務和投資術語，提供投資者有用的一般性描述。

「資產擔保證券(ABS)」	一種債務證券，其收益、信用品質和有效期限來自標的債務資產池的利息，例如信用卡債務、汽車貸款、抵押、學生貸款、設備租賃、抵押附買回貸款和 EETC（增強型設備信託證書）。
「輔助流動資產」	指流動性資產，如現金存款（見票即付）
「低於投資等級」	<p>由信譽欠佳發行人所發行的投資等級以下的債務證券。這些證券的評級為 Ba1 / BB +或更低，由獨立信評機構，例如標準普爾，穆迪或惠譽，提供其評等</p> <p>也稱為「高收益」證券，因為與投資級債務證券相比，它們通常提供更高的收入來換取更高水平的違約風險。</p>
「基準」	<p>指標或比率，或指標或比率的組合，被指定作為比較者的目標或對基金的限制。「基金補充」部分說明了基金使用其基準的特定目的。</p> <p>如果基金的基準是政策的一部分，則在「基金補充」部分的投資目標中對此進行了說明。</p>
「中國 A 股」	在中國證券交易所（在上海和深圳證券交易所）以人民幣計價進行交易的中國大陸公司「A」股。
「循環經濟」	循環經濟是線性經濟的替代模型。循環經濟將再生性與恢復性納入設計（減量、再利用、循環使用）。它的目的是重新定義產品與服務以減少浪費，同時將負面影響最小化。循環經濟透過一個結合環境與社會考量以及經濟效益的模型，促進長期的永續發展和競爭力。
「擔保品」	借款人向貸款人提供作為擔保的資產，以防借款人無法履行其義務。
「應急可轉換債務證券」	只要不觸發某些預定條件，通常就可以充當債券的一種證券。它們被設計為在觸發預定條件時吸收損失。這些觸發因素可能包括衡量發行人財務狀況是否保持在特定水平之上的指標。通常，這種類型的證券由金融機構（如銀行）發行。
「差價合約（CFD）」	期貨合約中的一種協議，其差異在於結算是透過現金支付而不是交付實物商品或證券。差價合約讓投資者不須實際擁有該證券也能擁有其所有的收益和風險。
「可轉換證券」	一種證券，通常具有類似於債務證券和股票證券的特徵。一旦達到預定價格或日期，這些證券就可以或必須交換為一定數量的單位（通常是發行公司）。
「可轉換債券」	由公司發行的債券，債券持有人可以選擇將債券交易為公司股票。

「交易對手」	任何提供服務或充當衍生工具、其他工具或交易當事方的金融機構。
「信用違約交換」(CDS)	<p>一種功能類似於違約保險的衍生產品，支付保費並將債券的違約風險轉移給第三方。如果債券沒有違約，則 CDS 的賣方將從保費中獲利。如果債券違約，信用違約交換的賣方有義務向買方支付部分或全部債券違約金額，該金額可能會超過所收保費的價值。</p> <p>CDS 可以是「單一名稱」，其中信用風險與特定發行人的債券有關，也可以是「指數」，其中參考資產是來自不同發行人的債券的指數；</p>
「信用連結票據」	一種結構化的票據，可用於取得連結於本基金無法取得連結的本地或外部資產。信用連結票據是由高度評價的金融機構發行的。
「貨幣衍生性商品」	其參考資產為貨幣價值或匯率的衍生性商品。
「貨幣交換」	雙邊金融契約，用於將一種貨幣的本金和利息換成另一種貨幣的本金和利息，以便避掉特定的貨幣風險。
「違約債務證券」	<p>這是一種由公司或政府實體發行的債務證券，該公司或政府實體在支付利息或償還本金方面違約。這些證券可能已違約並正在進行重組、破產或其他程序，以避免破產。投資於這些證券除了面臨「高收益」債務證券所帶來的風險外，還有特殊風險，因為違約證券的發行人可能無法恢復本金或利息支付，導致基金可能損失全部投資。</p> <p>只有在投資管理機構相信證券的交易水平與其對公平價值的認知存在重大差異，或者合理地認為證券發行人將提出交換要約或將成為重組計劃的對象時，才會進行此類投資；然而，並不能保證會提出交換要約，或者採納重組計劃，或者與此類交換要約或重組計劃相關的任何證券或其他資產的價值或收益潛力不會低於投資時預期。</p> <p>在進行違約證券投資的時間和完成任何交換要約、提議或重組計劃的時間之間可能會有相當長的時間。在此期間，不太可能收到違約債務證券的任何利息支付，對於是否能實現公平價值存在重大不確定性，以及交換要約或重組計劃是否會完成，可能需要承擔某些費用來保護投資基金在任何潛在交換或重組計劃的談判過程中的利益。</p>
「衍生性商品」	一種工具或私人合約，其價值是基於一種或多種參考資產的價值和特徵，例如證券、指數或利率。參考資產價值的小幅波動會導致衍生性商品的價值大幅波動。
「已開發市場」	<p>擁有健全的金融市場與投資人保護機制的國家。通常已開發市場被世界銀行或是國際貨幣組織定義為那些高收入、經濟進步的國家。</p> <p>已開發國家的名單持續地在更動。舉例來說，大部分的西歐國</p>

	家、澳洲、加拿大、香港、日本、紐西蘭、新加坡、以及美國包含在名單內。
「不良債權證券」	信用評級為 CC 或更低(根據標準普爾或其他公認信用評級機構的定義)的公司或政府實體發行的債務證券,或被投資管理機構認為具有與 CC 或更低評級相等的信用評級。
「分散投資」	與基金有關,指投資於各種公司或證券。
「存續期間」	衡量債務證券或投資組合對利率變化的敏感性的一種測量方式。存續期間為 1 年的投資,每增加 1% 的利率,其價值就會下降 1%。
「新興市場」	<p>金融市場不健全和對投資者保護較少的國家。通常是那些由國際貨幣基金組織、獨立的指數提供者如 MSCI 或世界銀行定義為新興國家和發展中的國家,或者是根據世界銀行定義具有中低收入經濟體的國家。</p> <p>新興市場和低發展市場的名單可能會不斷變化。示例包括亞洲、拉丁美洲、東歐、中東和非洲的大多數國家。</p>
「環境,社會與公司治理(ESG)」	環境、社會和公司治理標準,指的是衡量公司投資的永續性和道德影響時的三個關鍵因素。
「歐洲短期利率 (ESTR)」	一個反應未擔保歐元區銀行隔夜拆款借貸歐元的利率指數。此一利率由歐洲央行計算並公布。
「Euribor」	歐元銀行間同業拆借利率,是基於一組歐洲銀行從彼此借錢的平均利率得出的。
「指數型基金(ETF)」	在證券交易所上市的投資基金,代表證券、商品或貨幣的集合,通常追蹤指數的表現。ETF 可以單位交易。如果開放式或封閉式 ETF 分別符合 (i) UCITS 或其他 UCI 或 (ii) 可轉讓證券的條件,則允許投資。
「期貨指數型基金」	與標的資產(例如貨幣、股票、債券、利率和指數)相關的於受監管市場訂定在未來某個日期結算的協議。
「浮動利率債券」	支付可變收益的債券,該債券利率會根據市場利率的變化定期重置。
「政府公債」	政府或其代理機構、準政府實體和州政府贊助的企業發行或擔保的債券。這也包括由任何銀行、金融機構或公司實體所發行經政府、其代理機構或政府資助企業保證其自有資本至到期的債券。
「利率交換」	一種遠期合約,通常提供雙方的利率曝險從浮動利率到固定利率的交換,反之亦然。因此,每一方都可以間接進入固定或浮動利率資本市場。
「投資等級」	信用評級機構通常認為能夠履行其付款義務的債務證券。獨立信用評級機構之一(標準普爾,穆迪或惠譽或另一家公認的信用

	評級機構) 提供為評級 BBB-/Baa3 或更高評級的債務證券視為投資等級。
「流動性」	可以在市場上買賣資產，而不會顯著影響資產的價格或找到買賣雙方所需的時間的程度。
「到期期限」	債券到期還清之前的剩餘時間。
「貨幣市場工具」	一種流動性極佳的金融工具，其價值可以隨時準確確定，並且滿足某些信貸品質和期限要求。
「約當現金」	可以輕易轉換為現金的證券，例如國庫券或其他短期政府債券，銀行存款證明或貨幣市場工具或基金。
「店頭衍生性商品」	店頭衍生性商品，是與交易所以外的認可對手方訂立的衍生性商品合約。
「選擇權」	一種提供以約定價格和時間買賣資產權利的協議，該協議的標的資產可以為股票、債券、債券期貨、貨幣或指數。
「公開發行人」	各國政府或其地區和地方當局，政府機構，公共當局，超國家機構和國家贊助的企業。
「評等機構」	一個對債務證券發行人的信譽進行評估的獨立組織。例如標準普爾，穆迪和惠譽。
「附買回交易」	一項受協議規範的交易，根據該協議，交易對手向基金出售證券，並同時同意在交易對手指定的未來日期以指定價格買回這些證券或相同特徵的替代證券。
「附賣回交易」	一項受協議規範的交易，基金透過該協議向對手方出售證券，並同時同意在基金指定的未來日期以指定價格買回這些證券或相同特徵的替代證券。
	證券的購買以及同時承諾在約定的日期以約定的價格賣回證券。
「有擔保隔夜拆款利率 (SOFR)」	一個受美國聯邦準備銀行監管，用於美元計價的衍生性商品與債務的調整無風險利率。此一利率是基於事實上的交易，反映銀行向其他金融機構或機構投資人隔夜借貸美元時，付出的平均利率。
「證券借貸」	一項基金轉讓證券的交易，但須遵守一項承諾，即借款人將在未來某個日期或應基金的要求歸還同等證券。
「證券」	代表金融價值的可轉讓工具。該類別包括股票、債券和貨幣市場工具，以及期貨、期權、認股權證和其他有價證券，這些證券具有透過申購或交換獲得其他可轉讓證券的權利。
「新加坡隔夜平均利率 (SORA)」	新加坡隔夜利率平均基準
特殊目的收購公司 (SPAC)	特殊目的收購公司是證券交易所上市的公司，旨在籌集資金收購另一家私營公司。SPAC 被允許在規定的時間內尋找收購對象，否則必須將其資金返還給投資者。

「即期和遠期合約」	定制協議，可以立即或在將來的某個日期以指定價格買賣貨幣、股票、債券或利率。
「英鎊隔夜拆款平均利率 (SONIA)」	一個由英國金融行為監理局管理，在英鎊市場的無風險利率。此一利率是基於事實上的交易，反映銀行向其他金融機構或機構投資人隔夜借貸英鎊時，付出的平均利率。
「交換合約」	涉及與另一方交換投資現金流量的協議，包括固定或與指數連結的利率交換、股權、債券、貨幣或其他資產交換。
「瑞士隔夜平均利率 (SARON)」	一個由瑞士證交所管理，在瑞士法郎有擔保貨幣市場的無風險利率。此一利率是基於附買回協議市場之事實上的交易與報價。
「東京隔夜平均利率 (TONA)」	此利率為衡量於在日元無擔保隔夜貨幣市場借款成本的參考利率。其由日本央行所管理，又稱「TONA」。
「聯合國全球契約」	<p>一項聯合國倡議，鼓勵全世界的企業採用具永續性、對社會負責的政策，並報告其執行情況。</p> <p>可以從以下網站獲取更多資訊：</p> <p>https://www.unglobalcompact.org/</p>
「聯合國持續發展目標」	<p>聯合國設定的 17 個全球目標的集合，涉及廣泛的社會和經濟發展問題。其中包括貧困、飢餓、健康、教育、氣候變化、性別平等、水、衛生、能源、城市化、環境和社會正義</p> <p>可以從以下網站獲取更多資訊：</p> <p>https://www.undp.org/sustainable-development-goals</p>
「總報酬交換」	一方(總報酬支付方)將參考義務的總經濟績效表現(例如股份、債券或指數)轉讓給另一方(總報酬接收方)的協議。總報酬接收方必須轉而向總報酬支付方支付參考義務價值的任何減少以及可能的某些其他現金流量。總體經濟績效包括利息和費用收入，市場變動的收益或損失以及信貸損失。
「波動度」	給定證券或子基金價格變化的統計測量方式。通常，波動度越高，證券或基金的風險就越大。
「權證」	一種賦予所有者權利而非義務的投資，在將來的某個日期以約定的價格購買如單位投資等證券。

責任投資條款

為提供投資人有關 ESG 與責任投資在本公開說明書中資訊的用語與其意義，額外的定義將在附錄 1「責任投資的 ESG 整合與方法」中揭露。

本公司及各基金

本公司係一間開放型投資公司，並為依盧森堡 UCI 法律第 I 部分規定而設立之可變資本投資公司（SICAV）。

本公司以 M&G (Lux) 投資基金(1) 為名，自 2016 年 11 月 29 日設立且無期限，註冊辦公室位於盧森堡。本公司之分公司、子公司或其他辦公處所得依董事決議設立於盧森堡境內或境外（惟無論如何並不會設立於美國或其領地或屬地）。於法律許可之情況下，董事亦得決定轉移本公司之註冊辦公室至盧森堡境內之其他任何地方。公司章程於 2016 年 11 月 30 日公布於盧森堡大公國 *Recueil Electronique des Sociétés et Associations*（下稱「RESA」），並於盧森堡商業與公司登記處（R.C.S Luxembourg）註冊為編號 B210615。

本公司委任 M&G Luxembourg S.A. 為其管理公司與註冊地代理人。

本公司為一傘型基金，設計以提供投資人透過投資各基金以取得多樣化投資策略。每一基金代表一個獨立的資產組合。在任何時候，本公司之股本必定等同於各基金之資產淨值總額，且將不會低於盧森堡法定之最低資本。

董事得隨時設立額外基金，並於 CSSF 事先許可之情況下發布基金補充文件。

依盧森堡法規，本公司本身即屬一個法律實體。然而，各基金並非與本公司不同之法律實體。儘管如此，每一基金之資產將彼此分離，並依照相關基金補充文件適用於各基金之投資目標及投資政策進行投資。依照 UCI 法律第 181 條，每一檔基金相當於本公司可資區別之部分資產及負債，換言之，基金之資產係專為滿足與該基金相關之投資人權利，以及與該基金成立及運作所生之債權人主張之權利。

特定基金之負債（於本公司清算或贖回本公司股份或任一基金之所有股份之情形）應拘束本公司，惟應以該特定基金之資產為上限，且於特定基金之負債超出其資產時，此虧損並不得以追索其他基金之資產來彌補。

本公司之基礎貨幣為歐元。

各基金之參考貨幣則見於相關基金補充文件。

各基金及其投資目標及政策

關於特定基金投資之投資目標、投資政策及特定條款將載於相關基金補充文件。

典型投資人概況

典型投資人概況將載於相關基金補充文件。不合格投資人皆不得為投資人。

投資人選擇基金應透過其對於風險之態度、對收益、成長或收益及成長之綜合表現（即總報酬）之偏好、計畫投資期及投資人整體投資組合之內容而決定。投資人於作出投資決策前應尋求專業建議。

股份級別

每一基金得發行超過一種股份級別。各股份級別就關於其申購（包括合格要件）、贖回、最低持有數額、費用結構、幣別、貨幣避險策略及配息政策之標準得有不同特性。

每股價格將依各級別分別計算。

所有基金得發行「股份級別詳情」章節及相關基金補充文件所載之股份級別。所有最新的基金清單、已發行股份級別之幣別及配息頻率等資訊，皆可透過以下取得：[網站](#)。股份無面值、得轉讓且各級別皆有權得公平地參與相關基金之收益或清算款項之分配。所有股份皆以記名形式發行。

任何基金或股份級別之最低首次及額外申購限制，得由董事依據客觀標準裁量而減免。

股份將僅以記名形式發行且得透過清算系統持有及交易。除非相關基金補充文件另有明文：

- 記名股份之所有權以本公司股東名簿上所載為準，股東將收到其持股之確認書；及
- 原則上並不發行記名股份憑證。

基金之股份得於盧森堡交易所或其他投資交易所上市。董事將決定特定基金之股份是否上市。若特定基金之股份有上市，相關基金補充文件將載明。

投資限制

各基金資產之投資必須遵循 UCI 法律。適用於本公司及各基金之投資及借貸限制皆載於「投資限制及權限」章節。

董事得對於任一基金增加更多限制。

除允許投資於未上市有價證券或開放型集體投資計畫之單位或店頭衍生性金融商品等例外情形，投資將於受監管市場進行。

各基金亦得持有不超過其淨資產 20% 的附屬流動資產。在特別不利的市場條件下，若符合投資者利益，基金可以將其最多 100% 的淨資產投資於附屬流動資產。

報告及財務報表

本公司之年度會計期間將於每年 3 月 31 日結束。

- 本公司將準備一份截至 3 月 31 日（下稱「會計日」）之年報，內容包括自會計期間後四個月內（即每年 7 月 31 日）經查核簽證之財務報表。
- 預計於每年 9 月 30 日（下稱「期中會計日」）後兩個月內（即每年 11 月 30 日）製作包括尚未經查核簽證之財務報表之半年報。

年度查核簽證財務報表及半年報之副本將公布於 [M&G 網站](#) 並應要求提供股東及潛在投資人。

配息政策

有關特定基金是否發行配息股份及/或累積股份及所有已發行股份級別清單，皆可透過以下網站取得：[M&G 網站](#)。

董事保留引入配息政策之權利，而此配息政策得因不同基金及股份級別而相異。本基金之配息頻率皆記載於各基金補充文件中。如一基金中之一股份級別適用不同配息頻率，該股份級別得以本公開說明書「股份級別詳情」章節中所載股份級別名稱加註表明不同配息頻率之標記以供辨識 [M&G 網站](#)。

除非相關基金補充文件另有載明，累積股份為持有股東之利益累積所有屬於相關級別之收益，而配息股份得分配股息給股東。

董事將裁量決定是否就配息股份宣告配息。

董事會得依其裁量決定配息來源為投資收入、資本利得及/或資本。當配息來源為基金資本時，將可能面臨資本被侵蝕之風險，且「收益」將透過放棄股東之投資於未來資本成長之可能性而達成，未來之收益也可能減少。這個循環可能一直不斷重複，直至所有資本被消耗殆盡（但須符合下述最低資產淨值之規定）。取決於投資人所在之司法管轄區，配息來源為資本或收益，在稅法上可能有不同的意義，此部分建議投資人自行尋求建議。

通常配息將於相關配息期間結束後兩個月內宣告並支付。如宣告配息低於 50 歐元（或相當於此金額之其他幣別），則董事會保有將配息再投資於相關基金相同股份級別之權利（無須任何申購費用）。

配息將以電匯方式支付予股東，或於共同持有人之情形，將支付予最先出現在股東名簿上之人。

款項將以相關股份級別貨幣支付。未於宣告配息後五年內主張者將視為放棄並將轉移至相關基金。無論如何，支付配息如將使本公司之資產淨值降至低於 1,250,000 歐元或相當於此金額之其他幣別，則不得支付配息。

配息可能在某些司法管轄區被視為應稅收入，股東應尋求各自之專業稅務建議。

如本基金發行配息股份，則可能適用再投資機制。

若該再投資機制存在而股東決定將其配息再為投資，該配息將再投資於同一基金中同一級別之額外股份，且將以配息紀錄向投資人說明相關細節。以配息所為之再投資將不收取申購費用（定義如下）。

於一基金進行清算時，任何尚未領取之配息將被存放於盧森堡之 *Caisse de Consignation*。

本公司亦有絕對裁量權而得發行某些級別之入息股份，而此些股份之配息係基於每股資產淨值之固定數額或固定比例計算。當投資收益獲利總額未達該固定數額或固定比例時，固定入息股份級別可能就需要以資本支付配息；投資人應閱讀「風險因素」章節中特定股份級別配息相關風險及配息來源為資本可能造成何種影響。董事將定期檢視固定入息股份級別並保留變更配息比例之權利，以免維持固定比例可能會對基金或股東造成不利影響。舉例而言，若有投資收益高於固定配息目標之情況，董事得宣布分配較高總額之股息。同樣地，董事亦得視情形宣布分配較固定目標為低之股息。關於此種固定入息股份之細節，皆可透過以下網站取得：[M&G 網站](#)。

收益平準金

除相關基金補充文件另有載明外，收益平準金之安排將適用於本基金。收益平準金係為將一股份級別中之各股份所累積及可歸屬之收益水準，因配息期間（配息期間係為一配息基準日起至次一配息基準日之期間；各基金配息頻率係載於各基金補充文件）之申購、贖回及轉換股份所造成的稀釋效果降至最低之機制。收益平準金確保基金向所有股東之配息均為相同，無論股份之交易時間為何。

於配息期間購入股份之股東，將因而獲得下列二金額所構成之配息：

- 自購入日起所累積之收益；及
- 代表平準金成分報酬之資本。

效果為收益將依各股東於配息期間持有股份之比例，配發予該股東。

每股價格之公布

每股價格得於各營業日之營業時間在註冊及過戶代理人辦公室免費取得。此外，每股價格公布於 [M&G 網站](#)。

預防逾時交易與擇時交易

逾時交易係指於相關期日可接受下單之限制時間後，接受基金股份之申購、轉換或贖回下單，並以該日所適用之資產淨值執行下單。然而，若全球銷售機構於交易截止時間前已收到相關投資人之申購、轉換或贖回下單，而全球銷售機構或其委託之銷售代理人於交易截止時間後始向行政代理人提交相關申購、轉換或贖回之申請，則接受該下單不會被視為逾時交易。

本公司考量逾時交易行為係違反本公開說明書之條款（本公開說明書條款規定於交易截止時間後提出之申請，應以下一交易日資產淨值所計算之每股價格進行交易），故不接受之。因此，申購、轉換及贖回股份應以交易截止時間後所計算出之下一次資產淨值進行交易。交易截止時間係載明於各基金之基金補充文件。

依 CSSF 通函 04/146，擇時交易行為係指投資人利用時間差和/或 UCI 資產淨值決定方式之漏洞或缺陷，於短時間內有系統地申購並贖回或轉換同一 UCI 之股份的一種套利方法。

本公司考量擇時交易行為可能致費用增加和/或稀釋獲利而影響本公司績效，故不接受之。因此，就任何可能或看似與擇時交易行為相關之申購或轉換股份之申請，本公司保留拒絕之權利，並於保障投資人權利不受此等行為影響之目的下，保留採取任何適當措施之權利。除具收取贖回費用之一般權力外，本公司如認投資人屬短時間內有系統地贖回或轉換股份者，本公司將考慮對該投資人收取股份贖回費用。

公司法律及營運架構

董事

董事依公司章程負責綜理並控管本公司。董事亦須負責各基金之投資目標和策略之執行，以及監督各基金之行政管理及運作。

除依法保留予股東之權力外，董事應具有於各方面代表本公司為行為之最大權力。

本公司委任之董事名單如下：

- **Laurence Mumford**，董事長
- **Philip Jelfs**
- **Susanne Van Dootinh**，獨立董事
- **Yves Wagner**，獨立董事
- **Nadya Wells**，獨立董事

董事得指定一個或多個委員會、授權受託人或代理人代表其行為。為免滋生疑義，「董事」之用語視情況得包括此等委員會、經授權之受託人或代理人。

管理公司

本公司依管理契約指定 M&G Luxembourg S.A. 擔任 UCI 法律定義下之管理公司。管理公司受董事之監督，負責為本公司提供投資管理服務、行政服務及行銷/銷售服務。

管理公司為於 2012 年 8 月 1 日設立於盧森堡之私人股份有限公司，編號為 B.170.483。管理公司之最終控股公司為 M&G Plc。管理公司經 CSSF 核准並受其監管。管理公司之註冊辦事處位於：16 boulevard Royal, L-2449 Luxembourg, Luxembourg。認購資本設定為 250,000 歐元。

管理公司為本公司之管理公司，依 UCI 法律相關條款及 UCI 法律第 15 章有權提供服務。管理公司也擔任本公司的註冊地代理人即全球銷售機構。

除了本公司以外，管理公司亦為其他基金之管理公司，並得於未來再成為其他基金之管理公司。管理公司所管理之基金清單將載於本公司年報，並依請求自管理公司取得。

本公司及管理公司簽署無期間限制之管理契約。本公司及管理公司任一方得隨時於 90 天前以書面通知，或於該契約所載特定情形下終止管理契約。

管理公司已指定 M&G Investment Management Limited 執行投資管理業務，並指定 State Street Bank International GmbH, Luxembourg Branch 及 CACEIS BANK, LUXEMBOURG BRANCH 執行本公司之特定行政業務。

薪酬政策

管理公司為遵守 UCI 法律第 111 ter 條規定而訂有薪酬政策。

管理公司採行之員工薪酬政策與修正後 UCITS 指令及 FCA 規則所載原則一致。薪酬政策係由薪酬委員會所監督，旨在藉由下列方法提供健全而有效之風險管理：

- 找出具備重大影響管理公司或基金風險概況之能力之員工；
- 確認此等員工之薪酬與管理公司或基金之風險概況相應，且無論何時皆適當管控任何相關利益衝突問題；及
- 明訂所有管理公司員工之薪酬與其績效間之連結，包括年度分紅之條款及長期獎金計畫，及訂定董事及其他資深員工之個人薪酬。

薪酬政策之詳情，請參見 [M&G 網站](#)，其中包括但不限於：

- 薪酬及分紅如何計算之說明；
- 負責分派薪酬者之身分；及
- 薪酬委員會之組成。

或者，您亦可撥打+352 2605 9944 向本公司顧客關係部門免費索取紙本。

投資管理機構

管理公司已指定 M&G Investment Management Limited 擔任投資管理機構，由其依基金之個別投資目標及政策管理並投資基金資產。

投資管理機構係於 1968 年 8 月 5 日設立於英格蘭及威爾斯之私人股份有限公司。投資管理機構經英國金融行為監管局核准並受其監管。投資管理機構係 M&G plc 全資持有之子公司。

投資管理機構係依投資管理契約受委任。依投資管理契約，投資管理機構在管理公司及董事之綜理及控制下，對於申購及出售有價證券以及管理本公司資產上享有完全裁量權。

任何時候，由管理公司授予投資管理機構對於本公司之資產及投資標的享有投資管理酌決權下，投資管理機構均不為本公司之任何資產或投資虧損負責，但該虧損係因投資管理機構或其董事或員工之過失、故意違約或詐欺所造成者不在此限。

依投資管理契約，投資管理機構於其作為資產之投資管理者之能力範圍內，以及自管理公司將本公司投資標的之投資管理酌決事務分配予其之範圍內，其所招致或對其主張之任何及所有責任、義務、損失、損害、訴訟及費用，管理公司均同意賠償投資管理機構及其董事、主管及員工，但該等情形係因投資管理機構或其董事、主管及員工自身之過失、故意違約或詐欺所造成者不在此限。

投資管理契約得由一方當事人於至少三個月前以書面通知他方當事人而終止之。如一方當事人重大違反其依投資管理契約所負義務，他方當事人（下稱「通知方」）得以書面通知立即終止契約，又如該違約情況係得補正，則限於違約當事人未於受通知方書面通知要求補正後 14 日內補正者始足當之。如經董事會書面同意，管理公司亦得為本公司股東利益，不經通知而終止投資管理契約。

投資管理機構（及/或其董事、員工、關係企業及關係人）得於首次募集期間內或該期間經過後，直接或間接申購股份。

次投資管理機構

經本公司及管理公司事前同意，投資管理機構可以將其投資管理職能複委託給一個或多個次投資管理機構，以針對基金或基金投資組合的一部分提供全權委託投資管理服務。基金的投資管理機構或次投資管理機構也可以任命投資顧問就基金或部分基金投資組合(如下)提供投資建議。任命的次投資管理機構和投資顧問的名單於附錄 2 列出。次投資管理機構與投資顧問的名單可於 [M&G 網站](#) 上取得。

此外，M&G 新加坡和 M&G 美國已被委任為上述網站所提及子基金之次投資管理機構，並採取以下行為：

- 當重大事件（如下方段落所定義）發生時，
- 當 M&G 新加坡已聯繫投資管理機構但其無法採取行動（不論任何原因，如發生於非倫敦工作時間的重大事件），
- 當 M&G 新加坡無法聯絡到投資管理機構時，

- 當 M&G 新加坡已被投資管理機構指示在某段時期內或一段不特定時期行動（以確保服務持續、合理性以及股東的最佳利益），則 M&G 新加坡作為副投資管理機構直至基金經理人有進一步的指示

為了代表 M&G 新加坡的投資管理服務，重大事件意指將對基金組合中的一或多項資產造成潛在重大影響，使得資產的吸引力被重新評估。（包括但不限於：（i）特定公司事件，例如嚴重不合格的資料點、收益/公司行動或出乎意料的消息；（ii）大環境的衝擊，例如影響一個產業或單支股票的政治事件或新聞；（iii）重大負面事件，例如地震/自然災害、重大軍事行動、公司個別重大負面事件或單日股票或指數的多標準差%變動。）

投資管理機構也可能委託一個或多個 M&G 集團的關係企業，就一個基金或基金部分投資組合提供交易服務。

如投資管理機構進行店頭衍生性金融商品之交易，JPMorgan Chase Bank, N.A.將提供關於擔保品管理之行政管理服務。

投資顧問

投資管理公司已委任 responsAbility Investments AG 為投資顧問，以提供與可持續性相關考慮因素相關的投資建議（尤其包括對下列基金投資範圍的分析）。

投資顧問是一家在瑞士註冊成立的私人股份有限公司。投資顧問由瑞士金融市場監管局授權並受其監管。

考慮到投資顧問根據投資諮詢協定的條款將提供的服務和將要履行的職責，投資經理從其投資管理費中支付給投資顧問。

投資顧問提供有關 M&G (Lux) responsAbility Sustainable Solutions Bond Fund 的投資建議。

註冊及過戶代理人

管理公司已指定 CACEIS BANK, LUXEMBOURG BRANCH 擔任本公司之註冊及過戶代理人。

CACEIS Bank, Luxembourg Branch 係以編號 B209310 註冊於盧森堡商業與公司登記處。CACEIS Bank, Luxembourg Branch 是 CACEIS 銀行的分行，CACEIS 銀行是一家根據法國法律註冊成立的公共有限責任公司 (société anonyme)，股本為 1 280 677 691.03 歐元，註冊辦事處位於 89-91, rue Gabriel Peri, 92120 Montrouge, France，在法國貿易和公司註冊處的註冊號碼為 692 024 722 RCS Nanterre。Caceis BANK 是一家授權信貸機構，受歐洲中央銀行 ("ECB") 和 Autorité de contrôle prudentiel et de résolution ("ACPR") 監管。它還被授權通過其盧森堡分行在盧森堡開展銀行業務和中央管理活動。依註冊及過戶代理人協議，註冊及過戶代理人負責股份之發行、贖回及轉讓暨股東名簿之保管。註冊及過戶代理人將隨時遵守任何與洗錢防制相關之法律或規定所課與之義務，尤其是 CSSF 規則 12/02。

存託機構

本公司委任 State Street Bank International GmbH, Luxembourg Branch 擔任本公司之存託機構。

State Street Bank International GmbH 係依德國法律成立之有限公司，辦公室註冊地址為 Brienner Str. 59, 80333 München, Germany，以編號 HRB 42872 登記於慕尼黑商業登記處下。該信用機構受歐洲央行（ECB）、德國聯邦金融監管局（BaFin）與德國中央銀行監管。State Street Bank International GmbH, Luxembourg Branch 由盧森堡金融監督處（CSSF）核准並擔任存託機構，存託機構以編號 B 148 186 註冊於盧森堡商業與公司登記處。

State Street Bank International GmbH 為 State Street Bank 集團成員，其母公司為美國上市企業 State Street Corporation。

存託機構之職能

存託機構應依與各基金相關之 UCITS 指令及盧森堡施行法律與規定，履行其所有責任與義務。

存託機構已受託履行以下主要職能：

- 確保股份之出售、發行、再買回、贖回及取消係依適用之法律及公司章程為執行；
- 確保股份之價值係依適用之法律及公司章程為計算；
- 執行管理公司或本公司（視情形）之指令，但該指令與適用之法律及公司章程相衝突者不在此限；
- 確保所有涉及本公司資產之交易中，任何款項均於通常期限內匯入本公司；
- 確保本公司收益之運用係合於法律及公司章程之規定；
- 依 UCITS 指令及盧森堡執行法律與規定，監控本公司之現金及現金流；及
- 保管本公司資產，包括保管可被保管之金融工具、所有權驗證及關於其他資產之記錄。

存託機構之責任

如受託管金融工具發生損失，依 UCITS 指令-尤其是補充 UCITS 指令之 2015 年 12 月 17 日委員會委託規則 n°2016/438 第 18 條，存託機構應返還相同類型之金融工具或相應總額予本公司，不得不當遲延。

如存託機構得證明受託管金融工具之損失係因超出其可合理控制範圍之事件所致，且其結果係依 UCITS 指令而盡其所有合理努力亦無可避免者，則存託機構毋庸對此等損失負責。

於受託管金融工具發生損失之情形，股東得直接或間接透過本公司追究存託機構之責任，但以不造成重複救濟或對股東不平等待遇之情形者為限。

存託機構因其過失或故意而未能履行 UCITS 指令所規定之義務，進而造成本公司之所有其他損失，存託機構應對本公司負責。

除存託機構依 UCITS 指令所負之義務外，存託機構對於因其所負責任或義務之履行或不履行所生或與其相關之衍生性或間接或特殊性之損害或損失毋庸負責

複委託

存託機構符合特定條件下，得將其全部或一部之保管責任複委託予一個或多個第三方。存託機構對於本公司之責任，不因其將所保管資產之全部或一部複委託予第三方保管而受影響。

存託機構已將其依 UCITS 指令第 22(5)(a)條所負之保管責任複委託註冊辦公處位在 One Congress Street, Suite 1, Boston, MA 02114-2016, USA 之 State Street Bank and Trust Company，擔任其全球次保管機構。State Street Bank and Trust Company 作為全球次保管機構，已於其全球託管網絡內委任當地之次保管機構。

關於被複委託之保管職能及相關受託人及次受託人之身分等資訊，均得於本公司註冊辦公室或以下[網站](#)取得：。

利益衝突

存託機構係屬國際公司及商務集團之一份子，於經營日常業務時，同時為大量客戶及其自身帳戶服務，此可能導致事實上或潛在的利益衝突。存託機構或其關係企業依存託機構協議或依其他契約或安排從事相關活動時，即可能發生利益衝突。

上述之相關活動可能包括：

- (i) 向本公司提供名義人、行政代理人、註冊及過戶代理人、研究、有價證券借貸之代理、投資管理、財務建議及/或其他諮詢服務；及
- (ii) 從事銀行業務、銷售與交易，此等交易包括外匯、衍生性金融工具、本金貸款、經紀、造市或其他與本公司之金融交易，不論係為本人或其自身利益所為或係為其他客戶所為，均屬之。

存託機構或其關係企業就關於上述相關活動：

- (i) 將透過此等活動尋求獲利並有權收受及保留任何形式之獲利或補償，且並不向本公司揭露此類獲利或補償之性質或數額，包括與此等活動相關之任何費用、收費、佣金、收入份額、差額、加價、減價、利息、回扣、折扣或所取得之其他利益；
- (ii) 得為其自身利益、為其關係企業或其他客戶之利益而買入、賣出、發行、交易或持有證券或其他金融商品或工具；
- (iii) 得進行與所從事交易相同或反向之交易，包括基於其所持有而本公司所無之資訊所進行者；
- (iv) 得提供相同或類似服務予其他客戶，包括本公司之競爭對手；及
- (v) 得由本公司授權行使本公司所有之債權人權利。

本公司得為本公司帳戶，利用存託機構之關係企業進行外匯、現匯或換匯交易。在此情形，該關係企業應以本人名義為交易，而非以本公司之經紀商、代理人或受任人名義為之。該關

係企業將透過這些交易尋求獲利，並有權保留任何獲利且並不向本公司揭露。該關係企業應依其與本公司間合意之條款與條件，從事此類交易。

如本公司之現金被存入某關係企業銀行，則因該關係企業可能對該帳戶為支付或收費所生之利益（如有），以及因該關係企業以其銀行身分而非受託人身分持有該等現金所產生之費用或其他利益，即可能產生潛在利益衝突。

投資管理機構及管理公司亦得成為存託機構或其關係企業之客戶或交易對手。

存託機構對次保管機構之運用可能導致之潛在衝突，包括以下四大類：

- (i) 因選擇次保管機構以及數家次保管機構間資產配置所生之衝突，係受到（a）成本因素，包括最低收費、費用回扣或類似獎勵措施及（b）廣泛的雙向商業關係，即存託機構之行為除考量客觀評估標準外，亦考量廣泛關係之經濟價值；
- (ii) 次保管機構（不論是否為關係企業）代表其他客戶及為自身利益所為行為，皆可能與客戶利益產生衝突；
- (iii) 次保管機構（不論是否為關係企業）以存託機構為交易對手而與客戶僅有間接關係，如此可能使存託機構產生為其自身利益或為其他客戶利益而損及客戶利益之動機；
- (iv) 次保管機構於客戶於證券交易不付款時，其對於客戶資產享有市場基礎之債權人權利而有執行利益。

存託機構應為本公司及其股東之利益，誠實地、公平地、專業地且獨立地履行其責任。

存託機構在職能上與層級上，將其存託業務自其其他潛在衝突業務中予以區分。內控制度、不同報告途徑、任務分配及管理報告，皆使得潛在利益衝突和存託議題得被適當地辨別、管理及監控。此外，所提及存託機構對次保管機構之運用，存託機構對其設有契約上限制，以解決一些潛在衝突，並維持對次保管機構之盡職調查及監督，以確保此等代理人提供高規格之客戶服務。存託機構更進一步提供客戶活動及持股之經常性報告，並受內部及外部控制查核。最後，存託機構於其內部將其保管任務之績效自其專有之活動中予以區別，並遵循要求員工道德地、公平地及透明地面對客戶之行為準則。

存託機構最新資訊、其責任、可能出現之任何衝突、存託機構所委託之保管業務、委託和複委託清單以及因委託所可能產生之利益衝突問題等，將依請求提供予股東。

存託機構不為本公開說明書之內容負責，並不為其內容之不充分、誤導或不當資訊負責。

存託機構協議得經本公司或存託機構任一方於六個月前以書面通知而終止之。於此情形，於存託機構協議終止後兩個月內應指定新存託機構以履行及承擔前述之存託機構職責及責任。

行政代理人

管理公司已指定 State Street Bank International GmbH, Luxembourg Branch 擔任本公司之行政代理人。行政代理人將執行與本公司行政相關之特定行政責任，包括計算股份資產淨值及提供本公司會計服務。

行政代理人並不為本公開說明書之內容（除本章外）負責，亦不為本公司任何投資決定或該投資決定對本公司績效之影響負責。

行政協議中載有在特定情形下補償行政代理人，以及豁免行政代理人責任之條款。

經董事事前書面同意，管理公司保留與行政代理人以協議變更上述行政安排之權利，及/或保留由其酌定另行委任其他行政代理人而毋須事前通知股東之權利。任何另行指定其他行政代理人之情形，將按合理程序通知股東。

註冊地代理人

本公司已委託管理公司擔任註冊地代理人。註冊地代理人為本公司提供主管會議、董事會及/或本公司股東會所必要之設備。

全球銷售機構

M&G Luxembourg S.A. 為全球股份銷售機構。

全球銷售機構得享有委任銷售機構之權力。

管理公司擔任全球銷售機構時，將隨時遵守所有與洗錢防制相關之適用法律與規定所課予之義務，尤其是與 CSSF 規則 12/02 相關者。

查核簽證會計師

本公司已委任 Ernst & Young S.A 擔任本公司之查核簽證會計師。查核簽證會計師之責任在於依適用之法律及查核標準查核本公司財務報表並就其表示意見。

避險服務

管理公司已委任 State Street Europe Limited 執行與貨幣避險股份級別相關之特定貨幣避險業務。

申購

首次募集

本公司之股份得於相關首次募集期間內（於基金發行前）或自基金發行日期起申購。董事得依其裁量延長或縮短首次募集期間。

董事為投資人之最佳利益，得依其單獨且絕對之裁量權，將任何相關首次募集期間收到的申購申請（不論係與一基金或與一特定級別相關者）認定為不充足，而於此等情況，該申購款項將儘快以相關幣別無息返還予申購人，其風險及費用由申購人承擔。

經註冊及過戶代理人或管理公司（視情況）驗證相關投資人已符合任何資訊要求且已確認收受其欲申購股份級別之重要投資人資訊文件（KID）後，將接受其股份之申購。

管理公司得依其絕對酌決權，就限於機構投資人投資之股份級別，延後接受其股份申購請求，直至其收訖該投資人符合機構投資人要件之充分證明。若發生非機構投資人持有限於機構投資人投資之股份級別之情形，管理公司將依下述「贖回」章節贖回相關股份，或將此等股份轉換為不限於機構投資人投資之股份級別（前提是存在此種類似特性之股份級別），並將就此等轉換通知相關股東。

後續申購

除相關基金補充文件另有規定外，於首次募集期間經過後，股份得依相關評價日之每股價格申購之。銷售機構得依「費用及支出」章節規定對此等申購收取申購費用，並（如適用）本公司得依「擺動定價機制及稀釋稅」章節及相關基金補充文件之規定收取稀釋稅。然而，當相關基金為另一 UCITS 之主基金時，相關連結基金將不會就申購該基金支付申購費用。

依據董事得全權決定的基礎及條款，董事有權隨時決定停止或暫停任何級別股份之新申購。

程序

申請人在首次申購時，應填寫並簽署申請書，並郵寄給註冊及過戶代理人至以下地址：CACEIS BANK, LUXEMBOURG BRANCH, 5 allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg。首次申請可透過傳真至+352 2460 9901 為之，但註冊及過戶代理人須及時收到原始簽署的申請表格以及其他被要求的證明文件（如關於洗錢防制的檢查文件）。此後，股東欲追加申購股份得以傳真方式申購股份且無需提交原始文件，但這些申請可能仍須由相關股東提供其他被要求的相關證明文件（如關於洗錢防制的檢查文件）。

股東登記細節和付款指示的修改將（由本公司酌定）於收到有授權簽名的原始文件時才進行。

於首次募集期間所為之股份申購申請書應完整填寫後提交，以便註冊及過戶代理人於首次募集期間結束前收到該申請書。如果該期間未收到原始申請書，該申請書將於首次募集期間結束後的第一個交易日處理，而股份將以該交易日之每股相關價格發行。

此後，股份申請人及欲追加申購股份的股東必須在交易截止時間前將其完整填寫並經簽署的申請表傳真予註冊及過戶代理人。在任何交易日的截止時間後收到的申請，應視為係在下一交易截止時間之前收到。除非相關基金補充文件另有規定外，以相關級別的相關貨幣計價之

已繳清款項以及全額的申購款項（包括任何申購費用（如適用）須由註冊及過戶代理人在相關交易日後之三個營業日內（「T + 3」）收到。

如果未支付所申購股份的款項，本公司可以贖回發行股份，同時保留請求申購費用、佣金以及其他可能發生並由董事確認的其他費用的權利。在這種情況下，申請人可能會因其未能及時繳清款項，而由董事酌情決定要求申請人向本公司償還直接或間接產生的任何損失、成本或費用。在計算此種損失、成本或費用時，應視情形將配發和取消或贖回之間的股價變動以及本公司對申請人提起訴訟所致的費用納入計算。

本公司保留對任何申請為全部或部分拒絕之絕對酌情權，此等情形下，申購所支付金額或餘額（視情況而定）將以相關貨幣儘快被退回（無加計利息），其風險與成本由申請人承擔。

根據「暫停計算資產淨值」一節而暫停計算相關基金資產淨值的期間，本公司不得發行股份。

如有必要，將發行最多至小數點第三位的畸零股。申購款項的利息將累積於本公司。

任何以電子方式提出的申請必須採用董事及註冊及過戶代理人同意的格式和方式。

除非董事同意者外，申請將不可撤銷。

凡於相關基金補充文件中有規定者，特定股份級別的申請人將被要求與管理公司或管理公司的關係企業訂立報酬契約。

管理公司可酌權決定本公司得透過電子交易帳戶接受申購。請聯繫管理公司或註冊及過戶代理人以取得進一步的詳細資訊。

一基金或級別之暫時停止交易

若董事認為具保護現有股東利益之必要，一基金或級別可能全部或部分停止新申購或轉入（但不得停止贖回或轉出）。此等情況其一為基金或級別已經到達市場和/或投資管理機構的額度之規模，以及如允許更多資金流入將對基金績效產生不利影響。凡董事認為任何基金或級別的實質數量受到限制，則基金或級別得停止新申購或轉入而無需通知股東。基金或級別停止新申購及轉換之細節，將載於包含經查核財務報表之年報中以及包括未經查核的財務報表之半年報中。

如果停止新申購或轉入，管理公司的網站將被修改以顯示適用基金或級別的狀態變動。股東和潛在投資人應向管理公司或註冊及過戶代理人確認或查閱網站以了解相關基金或級別的現況。一旦停止交易，在董事認已無需要停止之情形前，基金或級別將不會重新開放交易。

實物申購

本公司得同意發行股份以換取現金以外的資產，但限於董事或由董事會正式委任的任何委員會行使其絕對裁量權認定本公司以股份收購此等資產係符合本公開說明書相關基金補充文件所載各基金的投資政策和限制之情形；此等資產之價值相當於此等股份之每股相關價格（連同任何申購費用（如適用））；且不會對股東的利益造成任何重大損害。應董事會或董事會正式委任的委員會的要求，將在本公司查核簽證會計師的特別報告中對任何基金的實物出資進行獨立評價（費用由投資人負擔）。所有額外費用將由以實物申購之投資人承擔或由董事會依其單獨而絕對之決定權同意由其他第三方承擔。

最低投資

各級別的最低持股金額、最低申購金額及最低後續申購金額（如有）列於「股份級別詳情」一節，並均得由董事依其裁量免除。

不合格投資人

申請書要求各潛在股份申請人向本公司聲明並保證，其並非不合格投資人。

特別是，在董事認為向任何人士為股份之募集、發行或轉讓可能導致本公司需承擔原先所無之納稅義務或任何其他金錢上不利影響，或導致本公司根據任何適用的美國證券法被要求進行註冊等情況下，不得向該等人士為股份之募集、發行或轉讓。

股票一般不會發行或轉讓給美國人。

如果受讓人本非股東，則需填寫適當的申請表，並隨時提供任何其他規定之文件。

股份形式

所有股份將為記名股份且僅以無實體形式發行，意指股東的權利將由註冊及過戶代理人保存的本公司股東名簿中的記錄證明，而不是透過股票憑證證明。

暫停

董事可在「暫停計算資產淨值」一節所述的特定情況下宣布暫停發行股份。任何此等暫停期間將不發行股票。

洗錢防制

公司受國際和盧森堡法律規範的約束，加強了其責任、義務和制裁，主要目的是防止金融部門被用於洗錢和資助恐怖主義。這些國際和盧森堡法律規範在下文中統稱為「AML/CFT 法律規範」，而此類 AML / CFT 法律規範所規定的所有責任和義務在下文中統稱為「AML / CFT 義務」。AML / CFT 法律規範包括 2004 年 11 月 12 日關於打擊洗錢和資助恐怖主義行為的盧森堡法律（「2004 AML 法」）和 2019 年 1 月 13 日制定的受益人登記冊（「2019 RBO 法」），以及 2010 年 2 月 1 日的大公國條例，詳細介紹了 2004 年《反洗錢法》的某些條款，以及 2012 年 12 月 14 日關於打擊洗錢和恐怖主義融資的 CSSF 第 12-02 號條例，（「CSSF 條例 12-02」）以及 AML/CFT 領域的任何進一步實施條例和 CSSF 通告。

作為 AML / CFT 義務的一部分，管理公司作為本公司代表需維持適當的反洗錢/反恐怖主義融資政策，以偵查、預防和製止洗錢、稅務犯罪和恐怖主義融資。

管理公司（代表本公司）必須遵守「了解您的客戶」的義務，該義務要求管理公司作為本公司代表，必須了解並確定每位投資人以及與該投資者的相關人（例如，但不限於，任何該投資者的受益人或代理持有人）的身份、投資於基金的資金來源、以及投資人的財富來源（視情況而定）。管理公司作為本公司代表必須採取合理方法來驗證這些人的身份，以便得知其投資人的受益人身份，並採取合理方法了解投資人的所有權和控制結構，以及業務關係的目的和性質（視情況而定）。

AML/CFT 法律規範還包含規定某些受益人（例如本公司和可能的某些投資者）對其利益擁有權承擔特定義務的條款。在這種情況下，管理公司作為本公司代表，除其他事外，必須確認其每個受益人取得和持有充分、準確和最新的相關資訊，包括其所擁有權益的詳細資訊和支持文件。

受益所有權廣義上是指自然人（每位「受益人」）最終直接或間接地持有或控制法人（「利益被持有人」）或代表其進行交易或活動。根據 2019 年 RBO 法所指的 2004 年 AML 法，利益被持有人包括公司和其他法人實體以及信託和類似機構。AML/CFT 法律規範中規定的不同範圍（例如所有權門檻和控制功能）確定了自然人是否為利益被持有人的受益人。內部政策和程序可能會規定其他範圍。這意指直接或間接持有本公司股份不會自動使投資人成為本公司的受益人或投資人的受益人。

在申購前或之後的任何時間，應管理公司的要求或在相關投資人的主動下（例如不延遲變更受益所有權的情況），每個投資人和任何其他相關人從初始且持續地為此（A）應盡最大努力主動協助管理公司作為本公司代表履行其 AML / CFT 義務；且（B）特別應提供 AML / CFT 法律規範要求和（或）管理公司認為對於履行其 AML / CFT 義務是必要的所有資訊和文件，包括對所有資訊和文件的持續監控、AML/CFT 法律和法規定義的姓名篩選和交易監控，同時始終確保根據基於風險的方法提供給管理公司的每個資訊和文件都是充足、準確和最新的。以下將所有資訊和文件統稱為「AML / CFT 資訊和文件」。

管理公司作為本公司代表可能將其 AML / CFT 義務委託或外包給合格的服務提供商，例如本公司的註冊及過戶代理人，並且可以在任何時間修改且立即生效所需的 AML / CFT 資訊和文件以及要求提供所需 AML / CFT 資訊和文件的形式。管理公司可以在業務關係結束後保留與投資者有關的反洗錢/反恐怖主義融資資訊和文件至少五年，或在反洗錢/反恐怖主義融資法律法規允許的情況下保留更長的時間。

管理公司可能將根據 2019 年 RBO 法被要求將 AML / CFT 資訊和文件的全部或部分（可能不事先通知投資人和/或其他相關人員）傳輸給某些第三方，包括其他潛在的利益被持有人、主管當局和盧森堡的受益人登記冊。

根據反洗錢/打擊資助恐怖主義法律法規，如果管理公司和/或公司未能履行收集和提供所需資訊的義務，可能會受到刑事制裁。任何未能遵守管理公司的資訊或文件要求的投資者可能要承擔對管理公司和/或公司施加的處罰。

除了 AML / CFT 法律規範提供的刑事和非刑事制裁之外，任何延遲或未能提供任何必需的 AML / CFT 資訊和文件均可能導致除其他和適用的情況下，申購請求被拒絕、根據管理條款強制贖回公司的股份、分配或清算或贖回收益付款的延遲，這種延遲或未能報告的情況下由管理公司作為本公司代表向主管機關報告，可能不會事先通知投資人和/或其他相關人員。

此外，在這種情況下，管理公司可以採取其認為適當的措施，包括但不限於凍結該投資者的帳戶，直至收到所需的資訊和文件。因該投資者不合作而產生的任何費用（包括帳戶維護費用）將由相應投資者承擔。不承擔任何利息、費用或賠償責任。

與中介機構簽訂協議，根據這些協議，這些中介機構向基礎客戶銷售公司的股份。我們會對任何中介機構進行基於風險的客戶盡職調查，以便公司和管理公司對中介機構的身份感到滿意。

除了對投資者採取盡職調查措施外，根據 2004 年《反洗錢法》第三條第（七）款和第四條第（一）款的規定，管理公司還必須對公司資產採取預防措施。管理公司應使用基於風險的方法來評估其產品和服務的提供在多大程度上對將犯罪收益放置、分層或整合到金融體系中存在潛在的脆弱性。根據 2020 年法律，國際金融制裁的實施必須由任何盧森堡自然人或法人以及在盧森堡領土內或從盧森堡境內運營的任何其他自然人或法人執行。因此，在投資資產之前，管理公司或指定的代表必須至少根據目標金融制裁名單篩選此類資產或發行人的名稱。

資料保護

股東應注意，透過填寫申購本公司股份之申請表並交回本公司，股東將提供本公司及管理公司構成個人資料之資訊。所提供之個人資料將依本公司申請表所附資料隱私權聲明處理，股東可隨時向管理公司索取申請表。

投資人機密資訊移轉

在承購本公司股份之前，請各位股東務必閱讀本「投資人機密資訊移轉」章節，以及在申請表中的相關章節。

經理公司指派 CACEIS BANK, LUXEMBOURG BRANCH 為公司的註冊機構和轉讓代理機構，提供過戶代理服務。為了有效提供服務，此註冊及過戶代理人必須與 CACEIS group 內部或外部的地方機構簽訂外包合約。在這些外包合約的部份鐘，註冊及過戶代理人可能被要求提揭露及移轉股東或股東相關個人（「相關個人」）的機密資訊與文件（例如身分資訊-包含股東或相關個人的姓名、住址、身分證字號、出生國家與日期等、帳戶資訊、合約資訊或其他書面或交易資訊，以下稱「機密資訊」）給分包商。根據盧森堡法規，註冊及過戶代理人若基於外包合約需要提供一定程度之資訊，必須對公司之股東進行揭露。

底下的表格會提供外包合約的目的、可能被移轉提供的資訊類型、以及這些分包商的所在地。

轉移給分包商的機密資訊類型	分包商的設立國家	外包活動的本質
機密資訊(如上所述)	加拿大	● 過戶代理人/股東服務（包含跨國和解）
	印度	● 資訊相關建設（主機代管）
	愛爾蘭	● 資訊系統管理/營運服務
	盧森堡	● 資訊服務(包含發展及維持服務)
	馬來西亞	● 編寫報告
	波蘭	● 投資人服務相關活動
	英國	

機密資訊可能被移轉給設置地秘密與保密法規與盧森堡法規並不不同的分包商。在任何事件，註冊及過戶代理人均受法律約束並已承諾公司和管理公司將與分包商訂立外包合約，承擔法律規範之專業保密義務或受合同的遵守嚴格的保密規則約束。註冊及過戶代理人進一步對公司和管理公司保證，採取合理的技術和組織措施來確保受資料傳輸保護的機密信息之機密性，並保護機密信息、防止未經授權的處理。因此，機密信息僅可用於有限數量的相關分包商內的人員，基於“需要了解”並遵循“最少特權”的原則。除非法律另有授權/要求，或者為了滿足本國或外國監管機構或執法機構的要求，相關機密信息將不會轉移至分包商外部。

關於個人資料的處理，應適用以上“資料保護”部分。

註冊及代理人之一般條款可於以下網站 <http://www.caceis.com> 取得。

M&G 集團、公司和管理公司已經委任第三方服務提供商，為了資料收集和資料整合的目的，將建立一個定制的、堅固的和可擴展的 AUM（資產管理）和流量智能解決方案，以確保與股東和監管機構的溝通。為了在全球範圍內協助這個過程，公司和管理公司特別可能使用位於歐盟以外的第三方服務提供商，這些服務提供商可能擁有自己的服務提供商（統稱為“資料整合商”）。

在這種情況下，公司已指示管理公司和/或註冊機構和轉讓代理將機密信息轉移給資料整合商。

下表中列出了此安排的目的、可能轉移給資料整合商的機密訊息，以及資料整合商所在的國家的描述。

轉移給分包商的機密訊息類型	分包商註冊的國家	外包活動的性質
股東姓名、持股明細（持有股份數量、相關基金及股份類別）、價格	歐盟國家 英國	資料收集和整合

關於個人資料的處理，適用上述「資料保護」部分。

贖回

股東得於相關基金補充文件所載有關股份級別之任何指定交易日，申請贖回其全部或任何股份。

程序

股東應寄出以註冊及過戶代理人核可格式所完成的贖回請求，此等贖回請求應由註冊及過戶代理人於該交易日之交易截止時間前收到。如果一級別中，任一股東持有的股份數量因任何贖回請求而將低於該股份級別的最低持有數量，本公司得以其絕對裁量權決定將該等請求視為請求贖回該股東在相關級別中所持有股份的全部餘額。在交易日之交易截止時間之後收到的任何贖回請求將在次一交易日處理。

贖回請求得以傳真方式提交給註冊及過戶代理人，但限於本公司或其代表已收到本公司可能要求提供的所有原始文件（包括與洗錢防制程序有關的任何文件），且洗錢防制程序已經在相關交易截止時間之前完成。

除非董事同意（其得依其絕對裁量權不予同意），贖回請求一經提出即不可撤銷。

贖回價格

贖回價格將相當於根據「淨資產價值及資產評價」一節而決定之相關評價日之每股價格。本公司得依據「費用及支出」一節之規定收取贖回費用，以及收取依據「擺動定價機制及稀釋稅」一節（視情況而定）及相關基金補充文件所規定之稀釋稅。

全球銷售機構可以依據「費用及支出」一節之規定，從 X 類股份類別的贖回收益中扣除遞延申購手續費(CDSC)。

應付款項將於結算日轉入股東帳戶。

股東細節和付款指示的修改（依本公司酌情決定）僅在收到原始文件後進行。

交割

除相關基金補充文件另有規定外，贖回款項之付款將於相關交易日後儘速為之，通常會在相關交易截止時間後三個營業日內為之。惟股東應注意，相關基金可能在特定司法管轄區註冊公開發行，可能因當地限制而適用不同交割程序。款項將按照贖回股東向註冊及過戶代理人指示，以贖回股份之計價貨幣直接轉帳支付，其風險歸屬於股東。收到傳真指示後所為付款，僅在付款係依據以下任一條件匯入登錄帳戶時方進行處理：(i) 原始、正式簽署的首次申請表；或 (ii) 原始、正式簽署的銀行授權變更請求。

如果股東業已向註冊及過戶代理人提供約定之贖回指示，則本公司要求股東更新該等指示，否則可能會延遲未來交易的交割。如有需要，最多至小數點第三位的畸零股份將被贖回。

投資人應注意，如果贖回請求未附帶董事或代表其之註冊及過戶代理人可能合理要求的額外資訊，則董事可拒絕贖回請求。若未依據「申購」一節規定之洗錢防制驗證目的而提供適當的資訊，則該權力之行使得不限於前述的一般性規定。

最低贖回金額、轉換或移轉

如果有關股份級別之一部持股其價值低於「股份級別詳情」一節中規定的最低持股金額，或進行贖回、轉換或移轉將致該等持股低於「股份級別詳情」一節規定的最低持股金額時，則董事可拒絕贖回、轉換或移轉的指示。

暫停

董事在「暫停計算資產淨值」一節所述的特定情況下得宣布暫停贖回股份。任何此等暫停期間均不得贖回任何股份。

強制贖回

董事可隨時強制贖回任一股東所持有之任何或全部股份，以確保無任何違反法律或章程或任何國家或政府機關要求之人取得或持有股份，或確保無任何董事認為由其持有股份可能導致本公司、管理公司或投資管理機構承擔任何其原本所無之責任或稅款或任何其他不利情形之人持有或取得股份（包括但不限於股東本為或轉變為不合格投資人和/或美國人士）。

如股東被認定係依 FATCA 之規定而應提供資訊之人，但該股東未能提供此類所需資訊，和/或該股東所屬級別要求須向盧森堡稅務機關報告資訊之情形，本公司得由董事酌定贖回該等股東在任何基金的利益。

此外，董事得於其認為強制贖回係符合股東利益之特殊情形下，強制贖回股東所持有之任何或所有股份。根據有關基金補充文件，如股東持有股份之資產淨值低於最低持股金額，本公司保留要求強制贖回該股東所持有之所有相關級別股份的權利，或將該股東持有之所有相關級別股份強制轉換為同一基金中具有相同股份級別貨幣但最低持股金額門檻較低的另一股份級別份之權利。

如股東所持股份資產淨值低於最低持股金額(如有)，本公司因此決定行使其強制贖回權利，本公司將以書面形式通知股東，並允許該股東於 30 個日曆日期間申購額外股份以達到最低持股金額要求。

遞延贖回

如請求贖回部分超過基金資產淨值的 10%，董事得（但無義務）將特定交易日的贖回延至次一交易日。董事將確保在任何遞延贖回的交易日，平等對待所有請求贖回股份的股東。董事會將所有此類贖回要求依上述標準（即基金資產淨值的 10%）按比例分配，並將其餘款項遞延至次一交易日和之後所有的交易日，直至原始請求全部贖回為止。董事會亦會確保所有較早交易日的交易在其後交易日的交易前完成。如果贖回請求被遞延，註冊及過戶代理人將通知受影響的投資人。

除董事認為如不遞延贖回將使現有股東因而受到重大損害，或有履行適用的法律或法規之必要外，董事目前預期不會行使該等權力而遞延贖回。

實物贖回

董事可要求股東接受「實物贖回」，即從本公司收取與贖回款項等值的證券投資組合。如果股東同意接受實物贖回，其得選擇取得本公司股權，該等選擇係適當考慮股東平等對待原則

所為。董事亦得全權決定接受股東之實物交割贖回請求。各種實物贖回的價值將依盧森堡法律規定而由查核簽證會計師的報告認證。關於實物贖回之所有附加成本將由要求實物贖回之股東負擔，或經董事單獨而絕對之決定同意由第三人負擔。

各基金或級別間之轉換

除於「暫停計算資產淨值」一節所述的情況下暫停股份發行和贖回外，在符合有關基金補充文件規定之情況下，股份持有人（除 X 類與 V 類股份類別的持有人應參考小節「X 類股份的程序」與「V 類股份的程序」）可要求將其持有某一級別或基金（下稱「**原始級別**」）股份之一部或全部轉換為另一級別或基金（下稱「**新級別**」）之股份。此等轉換僅於股東於新級別之持股將符合該級別或基金的標準和所適用的最低持股金額要求（若有）時方得為之。

程序

股東應以註冊及過戶代理人所核可的格式發送完整填寫的轉換請求，註冊及過戶代理人應於贖回原始級別之交易截止時間前以及申購新級別之交易截止時間前（以較早者為準）收到該轉換請求。交易截止時間後收到的任何申請將在次一個交易日處理。

轉換請求必須在以同一貨幣計價的股份級別間為之，並可通過傳真方式使註冊及過戶代理人及時收到原始簽署的轉換請求和其他可能需要的證明文件（如關於洗錢防制查核的文件）。此後，欲轉換額外股份的股東得透過傳真方式申請轉換股份，而無需提交原始文件，雖然此等申請仍可能須由有關股東提供可能需要的其他證明文件（如關於洗錢防制查核的文件）。

如果在任何交易日，請求轉換之數額相當於任何或所有股份級別或基金所發行的股份總數，則得延遲計算相關股份級別之每股價格，而將終止該股份級別和/或相關基金所產生的費用納入考量。

如原始級別轉換股份的價值不足以購入新級別之一完整股份，本公司得為轉換最多發行至小數點第三位的畸零股，而任何表彰權益少於一股價值至小數點第三位的任何股份餘額，將由本公司保留以清償行政費用。

一基金股份轉換為另一基金股份時，公司章程授權本公司依有關基金補充文件收取轉換費。該費用不得超過原始級別的當時贖回費用（若有）以及新級別的申購費用（若有）的總額，並應支付給管理公司。

除非董事同意（其得依其裁量權不予同意），或本公司為該轉換請求已暫停計算資產淨值，轉換要求一經提出即不可撤銷。

一基金或級別之股份轉換為另一個基金或級別的股份時，將被視為係贖回股份及同時購買股份。因此，申請轉換的股東可能會根據股東國籍、居所地或住所地的法律而產生與轉換有關的應納稅利得或損失。

新級別之發行股數將按照下列公式計算：

$$S = (R \times P \times ER)$$

SP

S 為配發之新級別應股數。

R 為贖回之原始級別股數。

P 為在相關交易日原始級別的每股價格。

ER 為貨幣兌換因子（如有），意即於相關交易日適用於相關基金或級別間資產轉換之結算之有效匯率，如相關基金或級別間之基礎貨幣不同，則由行政代理人決定；如相關基金或級別間之基礎貨幣相同，則 $ER = 1$ 。

SP 為相關交易日新級別的每股價格。

有關股份贖回之所有條款及通知應平等適用於任何股份轉換。在轉換交易時，應結算累計之績效費（若有）。

X 類股份類別的程序

除非相關基金補充文件另有揭露，否則 X 類股份類別的轉換受以下限制。X 類股份的持有人只能轉換為另一基金的 X 類股份，且僅限於轉換至有 X 類別股份的基金。X 類股份只能按照原始申購全部轉換。持有期間和原始類別相對應適用的遞延申購手續費(CDSC)，如「費用及支出」所述，將轉入新類別。

董事得全權決定拒絕全部或部分轉換請求，或完全或部分放棄任何轉換限制。

投資人請注意，採用上述程序的轉換只能在以相同貨幣計價的股份級別之間進行。不同計價貨幣股份級別間的轉換，無論係依同一日所預估之數額，或依贖回價值已知悉之次一日所計算之數額，股東均須分別進行贖回和相對應申購。因此，轉換之現金和外匯將由股東管理。

V 類股份類別的程序

不允許從其他基金轉換到 M&G 收益優化基金之 V 類股份類別，M&G 收益優化基金除非管理公司另有決定。

轉讓

股東得經管理公司核准，轉讓股份給一人或多人，前提是所有股份之款項已全額支付，且每個受讓人：(i) 非為不合格投資人；及(ii) 符合相關股份級別股東之資格。特別是，如果轉讓對本公司、股東或任何基金產生重大不利影響，本公司可能會拒絕美國人士登記股份轉讓。

為轉讓股份，股東須通知註冊及過戶代理人欲轉讓之日期及轉讓股份數目及級別。此外，每個受讓人須填寫申請表，才能接受轉讓請求。股東應將其轉讓通知和每份填妥的申請表寄給註冊及過戶代理人。

註冊及過戶代理人可以要求受讓人提供其他資訊，以證實受讓人在申請表中作出的任何陳述。註冊及過戶代理人將拒絕任何尚未完成的申請表。在註冊及過戶代理人對轉讓股東的通知形式感到滿意並已接受每一受讓人的轉讓申請之前，註冊及過戶代理人不會進行轉讓。

任何轉讓股份的股東及每位受讓人，共同且分別同意本公司及其各代理人之一方或多方不會遭受與轉讓有關的任何損失。

評價

資產淨值及資產評價

各基金之各股份級別之每股資產淨值，由行政代理人根據公司章程的要求在董事和管理公司監督下決定。各基金之各股份級別之每股資產淨值將以各股份級別的參考貨幣，以最接近小數點第四位數表示，並於相關評價日為各基金決定之，係根據下文所載的評價規則，以（i）歸屬於該股份級別的基金的資產淨值（歸屬於該股份級別的基金總資產減去歸屬於該股份級別的基金總負債）；除以（ii）該基金該級別已發行之股份總數。基金中的各股份級別的股份可能會有所不同，每檔基金（和股份級別（若適用）將承擔各自之支出及費用（特別歸屬於基金（或股份級別）者）。

對於以相關基金參考貨幣以外的貨幣表示的股份級別，該股份級別的每股資產淨值應以該基金參考貨幣計算，並依基金參考貨幣與該股份級別貨幣之間的兌換匯率（於相關評價時間點）轉換為該股份級別貨幣之該基金該股份級別的每股資產淨值。若基金對其以有關基金參考貨幣以外貨幣表示的任何股份級別之外幣曝險（或根據相關股份級別條款的其他任何類型的曝險）進行避險，則在各種情況下，該避險行為所生之成本和任何利益將僅分配給與該貨幣避險行為相關的貨幣避險股份級別。

在基金的每個評價日，行政代理人將於評價時間點計算資產淨值。在任何評價日，管理公司可以按照董事會制訂的指導原則，將擺動定價機制適用於基金每股資產淨值（如「擺動定價機制及稀釋稅」一節所述）。

為計算本公司的資產淨值，該資產將根據實際可取得的最新價格進行評價（除另有具體說明如下）：

(A) 集體投資計畫的單位或股份：

- (1) 所買進或賣出的單位如係採用單一價格報價，以該價格的最新報價為準；或
- (2) 如係採用買價與賣價雙向報價，則以兩價格平均值為準，但其中買價部分應減去當中所包含的申購費用，賣價部分則應扣除當中所適用的退出或買回費用；或
- (3) 董事如認為所取得的價格資料並不可靠、無法取得最新成交價格、或根本沒有最新價格資料可用，則採用董事認為公平合理之價值。

(B) 在交易所買賣的衍生性金融商品契約：

- (1) 若所買進或賣出在交易所交易之衍生性金融商品契約係採用單一價格報價，則以該價格為準；或
- (2) 如係採用買價與賣價雙向報價，則以兩價格平均值為準；或
- (3) 董事如認為所取得的價格資料並不可靠、無法取得最新成交價格、或根本沒有最新價格資料可用，則採用董事認為公平合理之價值。

(C) 店頭衍生性金融商品應依據董事制定的政策評價，適用不同類型的契約：

(D)任何其他可轉讓證券或貨幣市場工具：

(1)所買進或賣出的證券如係採用單一價格報價，以該價格為準；

(2)如係採用買價與賣價雙向報價，則以兩價格平均值為準；或

(3)董事如認為所取得的價格資料並不可靠、無法取得最新成交價格、或根本沒有最新價格資料，則採用董事認為公平合理之價值；

(E)以上第(A)、(B)、(C)及(D)項以外的其他資產：以董事認為能夠代表公平合理市價中間值者為準；

(F)現金以及活期存款帳戶、定期存款帳戶、保證金帳戶及其他定期性存款帳戶之金額，係以其名目價值為評價基準。

在計算每檔基金的資產淨值時，以下原則將適用：

(A)評定本公司資產之價值時，所有要求發行或註銷股份的指示均應視為（除非另有證明）已經執行完畢。任何已付或已收之現金付款及依據所適用法律或規則或公司章程要求之所有應辦手續均應視為（除非另有證明）已執行；

(B)以符合第(C)項為前提，存續中且經確認但雙方尚未完成交易之未附條件買賣財產契約，均應假設交易已經完成且所有後續作為均已完成；但在評價開始不久前才剛簽訂的無條件契約，且依董事意見認為省略不計並不會對最終資產淨值的金額造成太大影響者，可省略不計；

(C)期貨合約、尚未屆履約期限的價差合約及未到期且尚未履行的賣權或買權，均不得依第(B)項方式納入計算；

(D)該時點預期稅務負債的估計金額（稅賦已累計並應從本公司財產支付之未實現資本利得；前期及當期會計期間已實現資本利得及已累計稅賦之收益）；

(E)應將每日累積、視為定期項目且以本公司財產支付之負債預估金額及其稅金予以扣除；

(F)應將未償還之借款本金及其應計但未付利息予以扣除；

(G)應將本公司任何性質得列入計算的可收到退稅金額加入；

(H)應將任何其他預計將撥入本公司財產的進帳金額加入；

(I)應將利息及其他應計及視為已發生但尚未收到的所得加入；

(J)董事認係確保資產淨值係以最新資料為基礎所必要，且對全體股東亦屬公平之任何調整數額，將被加入或扣除；及

(K)相關基金參考貨幣以外的貨幣或幣值金額應於相關評價時間點上轉換之，其轉換匯率應不致重大損及股東或潛在股東之權益。

董事得酌情允許使用任何其他評價方法，如果他們認為該其他方法可更準確地反映基金任何資產的公允價值評價。

董事已委託行政代理人計算資產淨值和每股資產淨值的日常職責。

擺動定價機制及稀釋稅

在某些情況下，基金實際買賣投資標的之成本可能會偏離用以計算基金或級別之每股資產淨值之資產價值，這是因為存在如經紀費、傭金、交易稅和任何投資標的買賣差價等交易成本，這些交易成本可對基金價值造成負面影響，稱為「稀釋」。

為了防止這種影響以及因此對現任或持續股東的持股所產生的潛在不利影響，董事選擇執行「擺動定價」政策。本政策賦予董事權力採用擺動定價調整每股資產淨值以彌補交易成本並維持基金標的資產價值。如果每天的淨申購或淨贖回（包括請求由一個基金轉換為另一基金者），超過董事自行設定的預定門檻，則董事得隨時酌採擺動定價調整機制。至此情況時，部分的擺動定價機制即被採用。

擺動定價政策將由董事會制定且核准並由行政代理人實施。

除董事會另有決定，擺動定價調整將加計於發行股份之每股資產淨值（若基金存在資金淨流入）或從贖回股份之每股資產淨值中扣除（若基金發生資金淨流出的情況）。在董事認為符合當前/剩餘股東及潛在股東利益的情況下，也可適用擺動定價調整。

股東應知悉，除相關基金補充文件另有規定外，擺動定價調整一般不超過有關級別或基金的資產淨值之 2%。

除非適用稀釋稅，擺動定價調整一般適用於所有基金。一些基金可能會視情況收取適用於申購和贖回股份的稀釋稅，並在相關基金補充文件中揭露。在這些情況下，稀釋稅不會構成股份發行價格的一部分，而是單獨收取的費用。截至本公開說明書之日為止，稀釋稅並未適用於任何基金。

股東應知悉，在正常市場情況下，除相關基金補充文件另有規定外，稀釋稅不得超過有關級別或基金的資產淨值之 2%。但是，在特殊的市場條件下（例如高波動，資產流動性下降和市場壓力較大的時期），此類調整可能會更高或超過最大門檻。

任何此類調整收取的款項將歸於相關基金，董事會保留隨時免除擺動定價機制和稀釋稅的權利。當不適用擺動定價機制和稀釋稅時，相關基金可能遭受稀釋。股東應留意，由於擺動定價政策，基金的短期績效可能會出現較大波動。

每股價格公告

在每個營業日的營業時間內，可以免費從註冊及過戶代理人之辦事處取得每股價格。此外，每股價格目前已公布於 [M&G 網站 www.mandg.lu/SICAVprices](http://www.mandg.lu/SICAVprices)。

暫停計算資產淨值

董事可隨時及不定時暫停計算本公司或基金資產淨值，並暫停發行、轉換及贖回任何基金股份：

- (A) 在本公司投資標的所報價、上市、買賣或交易之任何受監管市場關閉之全部或部分期間（除了一般假日或週末之外），或於該等交易受限制或暫停交易、或買賣受限制或暫停之期間；或
- (B) 如因超出董事控制而發生本公司對基金投資標的處分或評價非合理可行或損及股東的利益，或無法將收購或處分投資標的所涉及之資金從本公司相關帳戶轉入或轉出等情形，於此等情形之全部或部分期間；或
- (C) 在決定本公司任何相關基金投資的價格或價值所通常使用之通信中斷之任何全部或部分期間；或
- (D) 在基於任何原因，本公司任何投資的價格或價值不能合理、及時或準確決定之任何全部或部分期間；或
- (E) 在本公司的帳戶無法轉入或轉出申購價金或基金無法償付贖回所需資金的情況下，或董事認為此類付款不能以正常匯率進行之任何全部或部分期間；或
- (F) 依可能合併、清算或解散本公司或（如適用）一個或多個基金的決定；或
- (G) 基金以連結基金身分所投資之主基金暫停計算每股資產淨值、其發行、贖回及/或轉換；或
- (H) 若生任何其他原因而致本公司或任何基金的部分投資價值之確定是不可行或不切實際的；或
- (I) 若在特殊情況下，董事暫停資產淨值計算的決定係基於股東（或該基金之股東）的利益所為。

暫停本公司或基金的資產淨值之計算及發行、轉換及贖回任何級別的股份，須通知已申請申購、贖回或轉換其股份的股東已暫停計算資產淨值。

如任何其他基金的資產在相同情況下不受同樣程度的影響，則該暫停評價對於任何其他基金每股資產淨值的計算，及其發行、贖回和轉換任何其他基金股份不受影響。

費用及支出

本章節規定股東或本公司資產需支付的費用或支出，並將其分為以下幾類：(i) 投資前或投資後的一次性費用；(ii) 來自股份類別的費用和支出；(iii) 來自基金的費用和支出。

投資前或投資後的一次性收費

申購費用

銷售機構得於申購股份時收取申購費用。若適用時，申購費用的比率會在相關基金補充文件中揭露。申購費用的最高金額為相關申購價值的 5.00%。管理公司不徵收或收取任何申購費用。X 類股份類別不收取任何初始費用，但收取遞延申購手續費(CDSC)如下所述。

贖回費用

本公司得就股東贖回股份收取贖回費用。若適用時，贖回費用的比率將在相關基金補充文件中顯示。任何贖回費用會被轉交給管理公司。

除了收取贖回費用的一般權力，若本公司認為該投資人係在短期內有系統地贖回或轉換股份，本公司將考慮就該贖回股份收取贖回費用。有關本公司對於擇時交易立場的進一步資訊，可參閱「本公司及各基金--預防逾時交易與擇時交易」之章節。

擺動價格調整與稀釋稅

請參閱上方「擺動定價機制及稀釋稅」段落。

X 級股份的遞延申購手續費(CDSC)

允許全球銷售機構於股東贖回 X 類股份時向股東收取遞延申購手續費(CDSC)。

遞延申購手續費(CDSC)僅適用於 X 類股份類別。

遞延申購手續費(CDSC)係自原始申購日起三年內贖回 X 類股份的收益中按下列百分比扣除的費用：

- 第一年: 3.00%
- 第二年: 2.00%
- 第三年: 1.00%
- 第三年之後: 0%

X 類股份類別的持有期間由以下因素決定：

- 股東選擇贖回的 X 類股份（“選定股份”）；
- 選定股份的原始申購日；

- 股份轉換至其他基金時，選定股份的原始申購日。

遞延申購手續費(CDSC)的金額是將上述相關遞延申購手續費(CDSC)的百分比率乘以原始申購時的每股價格或贖回時選定股份的每股價格兩者中較低者。

任何遞延申購手續費(CDSC)均由全球銷售機構保留。

通過股息再投資獲得的其他 X 類股份類別免於收取遞延申購手續費(CDSC)。

基於“基金與級別之終止”與“合併與分割”兩小節所描述的股份類別的終止、合併或分割，全球銷售機構可依其裁量權自行決定在贖回或轉換 X 類股份類別時不採用應支付的遞延申購手續費(CDSC)。

來自於股份類別的費用和支出

年度管理費

除非相關基金補充文件另有規定，管理公司為履行其義務與責任，得向各基金之各股份級別收取費用。此即「年度管理費」（有時簡稱「AMC」）。

年度管理費係按照各基金各股份級別資產淨值之比率每日計算。此費用每兩周支付給管理公司。各基金每一股份級別之年度比率標示於相關基金補充文件。

每日的費用為 $1/365$ 的年度管理費（閏年時則為 $1/366$ ）。若當日非為交易日，則每日費用將於次一交易日計算。管理公司係以各股份級別之前一交易日的資產淨值為基礎計算此費用。

管理公司得不時自行決定免除或退還給本公司全部或部分應付給管理公司的費用。其也可以根據客觀標準，自行決定向部分或全部股東、其代理人或中介機構退回部分或全部應向管理公司支付的費用。

管理公司也有權從本公司資產受償還其所支出之全部費用，包括依通常商業費率計算並加上增值稅（如適用）之法律費用、快遞費用、電訊成本及費用。

投資管理機構從管理公司之年度管理費中獲得報酬。

行政費用

除非相關基金補充文件另有規定，管理公司為提供本公司行政服務，得向基金各股份級別收取費用。此即「行政費用」。

除非相關基金補充文件另有規定，行政費用包括：

- 執行行政工作的行政代理人費用
- 維護本公司註冊及支付款項給銷售機構的註冊與過戶代理人費用付款代理人費用，即公司指定的任何付款代理的費用和開支；

- 董事費，為年費，在相應的年報/半年報中公佈。管理公司也應（根據《章程》）報銷董事的費用，包括董事的合理差旅費和為董事利益投保的所有費用（如有）；
- 註冊代理人費用，即公司所委任的註冊代理人的費用和支出；
- 與本公司可能委任的替代及/或額外服務提供者相的其他服務提供者之費用；以及
- 基金註冊銷售國的監管費用

管理費係按照各基金各股份級別資產淨值之比率每日計算。此費用每兩周支付給管理公司。各基金每一股份級別之最大年度比率標示於各基金相關基金補充文件。

倘若於任何期間內，提供本公司行政服務的成本高於所收取之行政費用時，管理公司將會補足差價。而倘若提供本公司行政服務的成本少於所收取之行政費用時，管理公司將會保留差價。

行政費用折扣

透過對相關的基金施行折扣，管理公司將把一基金資產大幅增長所產生的規模經濟，進而達成潛在節省的收益，移轉給投資人。行政費用適用的折扣將取決於基金規模，如下表所示。

管理公司保留改變下表所示之淨值範圍，或因淨值範圍改變每組淨值範圍對應的折扣數額之權利。在特殊情況下，管理公司也可能自行判定改變行政費用折扣計算的方式能實現股東最大的利益。

為了讓適用的折扣率最晚於該季結束後 13 個營業日內實施，舉例來說，最晚在 3 月 31 日後的 4 月 13 個營業日內，各基金的淨值至少將於每季季末時被審視。如下表所示，當一基金的淨值下降時，只有在考量緩衝後淨值仍低於相關門檻時，折扣才會被移除或減少。

折扣後的行政費用計算方式：行政費用（見各基金補充文件）—折扣（見下表）。

基金資產淨值	行政費用折扣率	當基金淨值減少時適用的緩衝額度	基金淨值下降至此金額時折扣將被移除或減少
0 – 12.5 億歐元	無	不適用	不適用
12.5 – 25 億歐元	0.02%	1.25 億歐元	11.25 億歐元
25 – 37.5 億歐元	0.04%	1.25 億歐元	23.75 億歐元
37.5 – 5 億歐元	0.06%	1.25 億歐元	36.25 億歐元
5 – 62.5 億歐元	0.08%	1.25 億歐元	48.75 億歐元
62.5 – 75 億歐元	0.10%	2.5 億歐元	60 億歐元

75 億歐元以上 0.12% 2.5 億歐元 72.5 億歐元

基金淨值以歐元計算，對於參考貨幣非歐元的基金，淨值將換算成歐元計算。

與折扣後的行政費用有關的資訊，包括各檔基金的每一級別現行適用的折扣，可以在 M&G 的網站上取得。

下方是一數字釋例：

時間	基金資產管理規模	一股份級別折扣後的行政費用 行政費用：最高至 0.15%
季一	16.7 億歐元	0.13% (0.15% - 0.02%) 由於基金淨值在 12.5 – 25 億歐元的區間內，因此行政費用適用 0.02% 的折扣。
季二	12 億歐元	0.13% 由於基金淨值下降金額在 1.25 億歐元的緩衝內，且沒有低於 12.5 億歐元的門檻，因此折扣沒有改變。
季三	9.58 億歐元	0.15% 由於基金淨值低於 1.25 億歐元的緩衝，因此 0.02% 的折扣被剔除。
季四	14.5 億歐元	0.13% (0.15% - 0.02%) 由於基金淨值在 12.5 – 25 億歐元的區間內，因此行政費用適用 0.02% 的折扣。
季五	28.5 億歐元	0.11% (0.15% - 0.04%) 由於基金淨值在 25 – 37.5 億歐元的區間內，因此行政費用適用 0.04% 的折扣。

如下段「單一費用」所述，採行單一費用的基金其行政費用不適用折扣。

X 類股的分銷費用

僅限於 X 類股份，管理公司被允許按 X 類股份類別的淨資產價值每年收取 1% 的費用，以作為支付給全球銷售機構商的與分銷相關的服務，稱為分銷費用。

分銷費用每日根據每一 X 股份類別的淨值某一百分比計算並被考慮在內，且與上述的「年度管理費」以相同的基礎每兩週支付給管理公司。

績效費

管理公司有權向本公司收取績效費，除其他費用和支出外，管理公司有權向本公司收取績效費。如果在任何會計年度中，適用基金的相關股份級別的績效超過同一時期的要求報酬率（並符合高水位），則管理公司有權獲得此類績效費。績效費率和要求報酬率列在各基金的相關基金補充文件中（如適用）。關於績效費如何累計和收費的全部細節以及本公開說明書使用的名詞定義在附錄 2 中揭露。

股份級別避險費用

管理公司為提供貨幣避險服務，得向各基金之各貨幣避險股份級別收取費用，此即「**股份級別避險費用**」。

股份級別避險費用係預期不超過 0.06% 之年變動費率。實際費率於管理公司管理 SICAVs 之範圍內，依據股份級別貨幣避險活動之總額而於該範圍內變動。

股份級別避險費用係每日根據各檔基金避險股份級別淨值的某一百分比計算並每二週支付予管理公司，其計算基礎與前述之年度管理費相同。

倘若於任何期間內，為基金提供股份級別貨幣避險服務的成本高於所收取之股份級別避險費用時，管理公司將補足差價。而倘若為本公司提供股份級別貨幣避險服務的成本少於所收取之股份級別避險費用時，管理公司將保留差價。

認購稅

此為每一股份級別向機構投資人或是零售投資人銷售而產生的應付申購稅。詳情請見公開說明書裡「稅賦」章節。

認購稅與上段「年度管理費」以相同的基礎，每日根據各檔基金每一股份級別淨值的某一百分比計算與考量。

各檔基金每一股份級別的認購稅揭露於關的基金補充文件。

單一費用

依相關基金補充文件的規定，管理公司可收取單一費用。該費用包括管理公司的職責以及與相關基金相關的營運、行政和監督成本。此費用（"單一費用"）將根據適用單一費用的每個基金的每個基金份額類別的資產淨值的某一百分比每日計算和計入，並按上文"年度管理費"一節所述的相同基準每兩周向基金管理公司支付一次。

單一費用以各基金各份額類別資產淨值的某一百分比為基礎。將收取的年費率載於各基金的基金附錄。

除相關基金附錄另有規定外，單一費用包括：

- 年度管理費；
- 行政費用（^上文所述行政費用的折扣。"行政費"不適用於收取單一費用的基金）；
- 認購稅；
- 存管費用；
- 託管費及託管交易費；及
- 其他費用；

除相關基金附錄另有規定外，單一收費不包括以下費用：

- 投資組合交易成本(交易差價、經紀人佣金、過戶稅及公司在基金交易中產生的印花稅)；
- 股份類別對沖費用（如適用）；
- 任何初始費用或贖回費用；以及
- 任何特殊費用，包括但不限於訴訟費用和對基金徵收的不被視為普通費用的任何稅項、徵費、關稅或類似費用的全額。

如基金投資於其他基金的單位或股份，則相關基金的費用及開支按上文「投資於其他基金的費用及支出」一節所述處理。

(略)

來自基金的費用和支出存託機構費

除非相關基金補充文件另有規定，存託機構就其存託機構義務，向各基金收取費用。此即「存託機構費」。存託機構費係按各基金之資產淨值為基礎計算，並在一般情形下，支付給存託機構提供服務的費用最多應為1個基點。

存託機構費係每日計算，其計算基礎與前述之「年度管理費」相同。

存託機構另得收取下列相關服務費用：

- 分配；
- 提供金融相關服務；
- 現金存款；
- 貸款；
- 從事借券、衍生性金融商品或無擔保貸款等交易；
- 購買或出售、或處理購買或出售本公司資產；

惟該等服務需遵守所適用法律的規定。

存託機構對於其因履行或安排履行公司章程或一般法律所賦予之職權所生之所有成本、責任及費用，有權收取費用及補償。這類費用一般包含但不限於下列項目：

- 向存託機構或保管機構交付股票；
- 收益及資本之收取與分配；
- 申報納稅及稅務處理；
- 其他存託機構依法律應履行之責任。

保管費

除非相關基金補充文件另有規定，存託機構為妥善保管各基金之資產，有權收取保管費。保管費係依照各資產類型的特定保管安排而變動收取。保管費費率介於每年資產價值的0.00005%至0.40%。保管費係考量各股份級別的每日價格，依資產類型的價值按月計算，於存託機構向基金收取保管費時進行給付。

保管交易費

除非相關基金補充文件另有規定，存託機構為辦理各基金資產之交易，有權收取保管交易費。保管交易費依所在國家及所涉交易型態而不同。保管交易費一般介於每筆交易5歐元至100歐元之間。保管交易費係考量各股份級別的每日價格，依交易發生數量按月計算，於存託機構向基金收取時進行給付。

投資其他基金的費用和支出

當基金投資於其他基金之單位或股份時，這些標的基金將招致費用和支出，並產生KID，其中包括這些費用的概要指標。

若標的基金由管理公司或管理公司的關聯企業所管理：

- 管理公司將依照標的基金所收取的任何年度管理費用及行政費用，減少其年度管理費用和行政費用。
- 由管理公司或管理公司的關聯企業管理的基金將可免除其他基金適用的任何申購或贖回費用。如此可確保管理公司不會向投資人收費兩次。
- 此年度管理費用及行政費用的減少與上段「年度管理費」以相同的基礎，每日根據各檔基金每一股份級別淨值的某一百分比計算與考量。
- 管理公司不會退還任何管理公司或其關聯企業管理的基金所產生的其他費用，且這些費用將因此納入相關基金的概要成本指標。

若標的基金非由管理公司或管理公司的關聯企業所管理，標的基金的概要成本指標將反映在相關基金的概要成本指標上。

其他費用

除非相關基金補充文件另有規定，有關本公司因取得許可及辦理設立、募集股份、編製及刊印本公開說明書花費的成本及支出，以及本公司就募集委任專業顧問之費用，均由管理公司負擔。

成立基金及股份級別的直接設立費用由相關基金負擔，管理公司亦得決定由其負擔。

本公司之各項支出及費用，除已包含在行政費用之項目外，得由本公司以本公司之財產支應。這些費用項目如下述：

- 補償管理公司為履行其責任而產生之所有墊付支出；

- 投資組合交易成本，包括交易價差、證券經紀商佣金、證券交易稅及印花稅及其他為基金執行交易所須的費用；
- 本公司之任何法律或其他專業顧問的各項收費或支出；
- 因應股東要求召開股東會時的會議召開成本，但不包括管理公司或管理公司從屬公司所召開者；
- 轉換成單位、合併或重整有關的負債，其中包括某些移轉基金財產作為發行股份之對價所產生的負債；
- 借款利息，及因執行或終止此等借款、或代表基金協商或修改此等借款之條件所生費用；
- 因基金資產及因股份發行與贖回股份而發生的稅金及應付稅捐；
- 會計師查核費用（含增值稅）及會計師的各項其他收費；
- 股份於任何證券交易所上市所衍生之相關費用（惟目前並無任何股份上市）
- 任何不被視為經常性支出的非常支出，包括但不限於訴訟費用和對基金收取的任何賦稅、稅徵、稅金或類似的費用；及
- 與本公開說明書所列各種收費或費用相關的增值稅或其他類似稅金。

任何此類經營和其他費用可以由董事會按照標準會計慣例由本公司遞延和攤銷。本公司經營費用之預估應計項目，將計入本公司的資產淨值。本公司應付之經營費用及服務提供者的費用及支出，應依本公司的資產淨值之比例、或依其他董事認為適合或可歸因於相關級別之標準而由所有股份承擔，惟直接或間接歸屬於特定級別負擔的費用和支出應由相關級別負擔。

經紀商或獨立研究提供者提供予投資管理機構研究服務之相關成本及支出將由投資管理機構負擔。

由管理公司承擔的費用和支出

管理公司為總資產淨值低於 2 億歐元（下稱「門檻」）（或是參考貨幣非歐元的基金其歐元淨值相當於此金額）的基金支付審計公費與保管交易費用。

管理公司於每季結束時審核各基金的資產淨值。

若一檔基金的淨值連續兩季末：

- 低於門檻：審計公費與保管交易費用將由管理公司承擔，並從該基金的淨值計算中排除。
- 高於門檻：審計公費與保管交易費用將最晚於每季結束後 13 個營業日內納入淨值的計算。

管理公司保留修改或移除此門檻的權利。

費用、開銷及支出之配置

所有費用、稅賦、開銷和支出均向相關基金和/或相關級別收取。如果費用不屬於任何一個基金，則通常按照基金資產淨值依比例分配予所有基金，但董事可視其認為係公平對待股東的方式分配此類費用及支出。除非相關基金補充文件另有規定外，如為入息股份，則大部份之支出及費用將以其資本支付。這類支出及費用的配置，得使相關股份級別的股東之可分配收益金額增加，但可能抑制資本成長。如為累積股份，則大部分之支出及費用將以其收益支付。倘若其收益無法完全支付這些支出及費用時，其剩餘的金額將由資本支付。

稅賦

下段關於盧森堡稅賦之說明是有關現行法律和慣例之簡單摘要，可能會有變動和不同解釋。下列定義的條款應與相關法律及條例所定者相同。

以下資訊並不構成任何法律或稅務建議，潛在投資人應自行諮詢其專業顧問關於其可能被課稅之司法管轄區之法律對於股份申購、出售、轉換、持有或贖回之稅務影響。建議投資人自行參考其居住國家適用的任何外匯管制條例。有些股東可能受反境外基金法例限制，並可能會對本公司未分配利益產生稅賦責任。相關後果將隨著股東居所地、住所地或設立地之司法管轄區法律和慣例以及每個股東的具體情況而有所不同。本公司董事及本公司各代理人對股東特定稅賦事宜概不負責。

本公司因投資而收到的股利、利息和資本利得(如有)可能在該投資之發行人所在國家徵稅，包括預扣稅。本公司可能無法從盧森堡與這些國家之間的雙重徵稅協議中減免預扣稅率。如果未來這種情況發生變化及適用較低利率導致公司取得退款，資產淨值將不再重覆說明，並依取得退款時之現有股東之持股比例分配此等收益。

自動資訊交換

股東須向註冊及過戶代理人提供本公司申購書所載明的資料，使本公司或本公司指定服務提供者能夠評估在 FATCA 和 OECD CRS 下股東的地位，以便本公司接受任何申購或後續申購申請。本公司或本公司指定服務提供者可要求股東提供其認為進行此類評估所必要之額外文件。

如果股東延遲或未能提供所需文件，則該申購申請可能不被接受。由於股東沒有提供文件或文件不完整，本公司或註冊及過戶代理人均不承擔延遲或未能處理交易的責任。

根據 FATCA 和 OECD CRS 的客戶盡職調查要求，股東可能隨時被要求提供額外或更新的文件。如股東在 FATCA 或 OECD CRS 上的狀態可能產生變化或已變更，其應及時通知本公司或註冊及過戶代理人。

FATCA

FATCA 條款和相關跨政府協定（下稱「IGA」）包括美國與盧森堡於 2014 年 3 月 28 日簽訂而由 2015 年 7 月 24 日盧森堡法律批准的 IGA（下稱「美國盧森堡 IGA」），通常要求盧森堡外國金融機構（如美國盧森堡 IGA 中所定義）（下稱「FFIs」）報告有關美國人對特定美國須申報帳戶的直接和間接所有權的資訊，這種報告直接向盧森堡稅務局機關為之，其將再向美國國稅局報告。未能提供所要求的資訊可能使某些美國來源收入（包括股息和利息）以及財產出售或其他處分所得而可能造成美國來源之利息或股利之總收益等收入產生 30% 的預扣稅。

美國盧森堡 IGA 的基本條款包括身為 FFI 的本公司。本公司可要求所有股東提供其稅籍地證明文件和所有其他為符合上述 IGA 之必要資訊。

違反 FATCA 義務的行為可能使金融機構需繳納從 1,500 歐元到申報金額的 0.5% 之罰款。建議所有潛在投資人和股東向其稅務顧問諮詢 FATCA 對本公司投資可能產生的影響。

OECD CRS

2015 年 12 月 18 日的盧森堡法律（下稱「AEOI 法」）納入 OECD CRS 的 2014 年 12 月 9 日的歐洲理事會指令 2014/107/EU 自動資訊交換規定。因此，金融機構（如 AEOI 法中所定義）需要進行資訊管理和盡職調查程序，並向盧森堡稅務機關申報屬於其他參與管轄地區之稅務居民之帳戶持有人之特定資訊。這些資訊將由盧森堡稅務機關與需申報帳戶持有人的居住國稅務機關進行交換。

根據 AEOI 法，申報金融機構（在某些條件下包括投資基金）有義務申報廣義上定義的帳戶餘額和支付給特定人之財務收入資訊（包括投資基金的分配收益和基金單位或股份贖回），廣義來說，此等特定人是另一個會員國或其他已簽署允許進行這種交換的雙邊協定的特定第三國之稅務居民。

AEOI 法所涵蓋的自動資訊交換條款是根據 OECD 依 2011 年 6 月 1 日的稅務相互行政協助多邊協定（經修訂）制定的 OECD CRS。超過 100 個司法管轄區已簽署 OECD 多邊協定或宣布有意簽署。預計在越來越多的司法管轄區之間將締結更多的多邊和/或雙邊協定，以便在稅收領域實行類似的自動資訊交換義務。

縱本公開說明書有其他約定，於盧森堡法律允許之範圍內，本公司有權為下列事項，特別是：

- 要求任何股東或股份受益人立即提供本公司依其裁量可能要求之個人資料，以遵循相關 FATCA 義務；
- 依法律或任何稅務或主管機關之要求，將任何該等個人資料揭露予該等機關；及
- 將任何該等個人資料揭露予若干美國來源收入之任何直接付款人（依支付該等收入之申報規定為之）。

違反 AEOI 法規定的義務可能使申報金融機構需繳納從 1,500 歐元到申報金額的 0.5% 不等之罰款。建議本公司潛在股東就 OECD CRS 資訊交換規定尋求專業建議。

DAC6

2018 年 5 月 25 日，歐洲理事會採行了一指令（歐盟 2018/822 指令修訂歐盟 2011/16 指令，為自動交換稅賦資訊），對與執行激進跨境稅務安排（“DAC6”）有關的單位強制施行揭露義務。DAC6 自 2020 年 5 月 25 日已於盧森堡實施。（“DAC6 法”）

更確切而言，在特定案例中符合 DAC6 法中提及的一或多項特徵之跨境安排須實行揭露義務，並實施主要利益測試（“揭露安排”）。

在揭露安排中，需揭露的資訊尤其應包括所有相關納稅人及中介單位之名單、揭露安排概述、揭露安排之價值，以及揭露安排所關切的成員國身分。

揭露義務主要取決於設計、銷售或組織揭露安排，或提供協助及建議之中介機構。然而，在特定情況下，納稅人本身即為揭露安排之規範對象。

中介機構（在特定情況下可能為納稅者）可能被要求在 2021 年 1 月 30 日呈交揭露安排。

揭露之資訊將在成員國的稅務機關之間自動交換。

因 DAC6 法的規範範圍龐大，本公司的交易可能在 DAC6 法規範內，因而需要揭露。

盧森堡公司稅賦

以下摘要係根據盧森堡現行的法律和慣例做出，且可能產生變動。

申購稅

原則上，本公司在盧森堡負擔其資產淨值每年 0.05% 的申購稅 (Taxe d'abonnement)，此類稅款將根據本公司每季度總資產淨值在相關日曆季度結束時支付。

在以下情況，此比率將降至每年 0.01%：

- 貨幣市場工具和信貸機構存款的集體投資為其唯一投資目標之企業；
- 信貸機構存款的集體投資為其唯一投資目標之企業；和
- 擁有多個子基金的 UCI 個別子基金以及在 UCI 內或在擁有多個子基金的 UCI 子基金內發行之個別證券級別，但限於這些子基金或級別的證券係保留給一個或多個機構投資人。

從 2021 年 1 月 1 日起，本公司或其個別基金，可以享受認購稅率。按照分類條例第 3 條中環境可持續的經濟活動（「合格活動」）之定義，依據相關基金投資於合格活動的總淨資產比例，可以享受不同的認購稅率優惠，但須排除公司或其個別基金投資於化石氣和/或核能相關活動的淨資產比例。

減少的認購稅率如下：。

- 如公司或其個別基金的總淨資產至少 5% 投資於合格活動，則為 0.04%。
- 如公司或其個別基金的總淨資產至少 20% 投資於合格活動，則為 0.03%。
- 如公司或其個別基金的總淨資產至少 35% 投資於合格活動，則為 0.02%：。
- 如公司或其個別基金的總淨資產至少 50% 投資於合格活動，則為 0.01%：。

上述認購稅率將只適用於投資於合格活動的淨資產。

此外，申購稅在以下情況得豁免：

- 以其他 UCI 持有之以單位表示的資產價值，惟該等單位須已經被徵收申購稅
- 保留給機構投資人、根據（歐盟）2017/1131 號法規被授權為短期貨幣市場基金且已取得經認可評等機構最高評等之 UCIs
- 為退休養老金計劃保留證券的 UCIs
- 主要投資於微型信貸機構的 UCIs
- 持有之證券已上市或交易且其投資目標係專門複製一個或多個指數績效的 UCIs。

- 根據歐洲議會和歐洲理事會 2015 年 4 月 29 日關於歐洲長期投資基金的第 2015/760 號條例（歐盟）的規定，被授權為歐洲長期投資基金的 UCIs。

預扣所得稅

根據現行的盧森堡稅法，本公司對股東所為的任何配息均無預扣所得稅。

本公司收到的利息和股利收入可能在所投資國家被課徵預扣所得稅。本公司可能因資產之已實現或未實現資本增值而被來源國課徵資本增值稅，此在某些司法管轄區可認列。

所得稅

本公司免徵自盧森堡取得收入、利益或利得稅。

淨財產稅

本公司免徵盧森堡淨財產稅。

其他稅賦

在盧森堡，本公司所發行流動資產股份一般不須支付印花稅。

盧森堡股東稅賦

僅持有和/或處分股份、或執行、履行或實行其權利之股東，不會成為盧森堡的稅務居民，也不會被視為盧森堡的稅務居民。

根據目前的盧森堡稅法，股東對本公司之參與，除其居所地、住所地或有常設機構在盧森堡境內外，不受盧森堡的任何資本利得、收入、繼承或其他稅收的限制。

非居民股東自本公司取得之收入，將於其本國司法管轄區內適用該管轄區所適用之規則徵稅。

一般情況

本公司股東預期將在許多不同國家為稅務目的而居留。因此，本公開說明書並無嘗試概述每一名投資人在本公司申購、轉換、持有或贖回或以其他方式取得或處分股份的稅務結果。這些結果將在現行法律和慣例下，視股東國籍、居所地、住所地和/或設立地及其個人情況而有所不同。

投資人就根據其國籍、居所地、住所地和/或設立地國家的法律所為申購、持有、轉換、贖回或以其他方式處分股份的可能稅務結果，應適時向其自身專業顧問為諮詢。

其他一般投資人資訊

股東會和提交予股東之報告

股東大會通知（包括公司章程之修訂或本公司或任何基金之解散和清算之議案）應於股東會召開日之至少八日前寄給股東，且/或應依盧森堡法所規定而經董事會決定之方式公告。無論所持股份級別為何，所有股東就其股份享有相同的權利。每一股得於任何股東大會上享有一表決權。所有股份均無優先權或優先認股權。

公司章程允許本公司發行畸零股股份。除非合計股數達一股外（在此情況下，該等股份合計而一併授予一表決權），畸零股股份無表決。

公司章程如經修訂，該等修訂應提交給盧森堡商業與公司登記處，並公布於 RESA (*Recueil Electronique des Sociétés et Associations*)。

詳細之報告應每年公布，其內容應包含關於本公司活動及其資產管理之經查核財務報表；此類報告尤應包括所有基金的合併帳目、每個基金之資產之詳細說明以及查核簽證會計師作成之報告。

應發佈半年報，其內容應包含關於本公司營業活動之未經查核財務報表，該財務報告內容尤應包含對每個基金之組合投資之描述以及自前次公布報告以來股份之發行與贖回數量。

本公司的財務報表將依據盧森堡公認之會計準則編制。

上述文件，年報於公布後 4 個月內、半年報於公布後 2 個月內，股東得於本公司註冊辦公室自行閱覽。如經要求，此等報告將免費寄予任一股東，其複本則於本公司註冊辦公室免費提供予任何人，並得於 [M&G 網站](#) 上取得。

本公司年度會計期間始於每年 4 月 1 日終於隔年 3 月 31 日。本公司將於每年公布截至會計日期之年報，以及截至期中會計日之半年報。

年度股東大會應依據盧森堡法律，每年於本公司註冊辦公室或股東會通知指定之地點舉辦。

任一級別或基金之股東得隨時召集股東大會，以決定僅與該等級別或基金相關之任何事務。

本公司之合併財務報表以歐元表示，並以歐元為本公司之基礎貨幣。與個別基金相關之財務報表應以相關基金之參考貨幣表示之。

本公司之解散與清算

本公司得隨時由股東大會決議解散，此等股東大會決議之定足數與多數決標準應依據修改章程所適用之同一標準。

股本低於章定最低資本額之三分之二時，董事應向股東大會提交本公司解散之議案。此等股東大會無定足數之限制，由出席股份之簡單多數決決議通過之。

股本低於章定最低資本額之四分之一時，亦應向股東大會提交本公司解散之議案，此時，股東大會無任何定足數要求，且本公司解散之議案得由發行股數四分之一以上之出席股份決議通過之。

此等會議應視個別情形，於淨資產減少至法定最低限額之三分之二或四分之一之日起 40 日內召集之。

公司之清算由一位或數位清算人進行之。清算人得為自然人或法人，由股東大會指定並由 CSSF 核准之，其權力與酬勞由股東大會決定之。

每一基金清算所得款項應依據相關基金各級別股東之持有比例，由清算人分配予股東。

本公司如進行自願或強制清算，應依據盧森堡法律為之。此等法律明訂為使股東得參與清算分配所採行之措施，並於清算結束時提存於「Caisse de Consignations」託管帳戶。在法定期間內未能領取之款項，應依據盧森堡法律沒收之。

基金與級別之終止

董事決議終止

如生以下情形：

- (A) 基於任何理由，任何級別或基金的淨資產總值未達或已減至董事所決定該級別或基金得以經濟上有效率之方式運作之最低資產限額；
- (B) 係因應政治、經濟或貨幣情勢所為之重大改變，或係合於經濟原則所為；或
- (C) 董事會基於其他理由認終止基金以及/或級別係符合股東之最佳利益，

董事得決定依據此等決定生效之評價日當日之每股資產淨值（考慮投資實際變現價格與變現費用）贖回所有相關級別或基金之股份，並終止相關基金。

本公司應於強制贖回生效日前，向相關級別或基金之股東發出書面通知。本通知將說明贖回之原因與程序。除非基於股東利益或股東平等待遇所為其他決定外，前述級別或基金之股東得於強制贖回生效日前，繼續請求免費贖回或轉換其股份（但考慮投資實際變現價格與變現費用）。

股東決議終止

儘管有前段所述授予董事之權力，任何級別或基金之股東於該等級別或基金之股東大會上，得依據董事之提議，要求贖回所有相關級別或基金之股份，以及將其股份之資產淨值退還予相關股東（考慮投資實際變現價格與變現費用），計算上應以此等決定生效日為基準。此等股東大會無定足數之限制，並應由出席或代表出席股份之簡單多數決決議通過之。

終止之影響

進行贖回後，無法分派予受益人之資產將以權利人之名義寄存於 Caisse de Consignation。

所有贖回股份應被取消。

本公司最後剩餘基金之清算將導致本公司整體進行清算。

合併與分割

合併

如生以下情形：

- (A) 基於任何理由，本公司或任何基金的淨資產總值未達或已減至董事所決定本公司或該基金得以經濟上有效率之方式運作之最低資產限額；
- (B) 係因應政治、經濟或貨幣情勢所為之重大改變，或係合於經濟原則所為；或
- (C) 董事會基於其他理由認終止基金以及/或級別係符合股東之最佳利益。

董事可決定本公司或任何基金的資產與 (i) 本公司內其他現有基金或其他盧森堡或外國 UCITS 之子基金(下稱「新子基金」)；或(ii)其他盧森堡或外國 UCITS(下稱「新 UCITS」) 進行 UCI 法律所定義之合併，並於合適之情形下，重新安排本公司或基金之股份作為新 UCITS 或新子基金之股份。

如果進行合併之本公司或基金為存續 UCITS（依據 UCI 法律所定義者），董事將決定此等合併之生效日。

此等合併應符合 UCI 法律所規定之條件和程序，特別係關於董事會訂定之合併計畫以及提供予股東之資訊。

儘管有前段所述授予董事之權力，歸屬於任何基金之資產及負債與本公司其他基金所進行合併（UCI 法律所定義者），得由相關基金之股東大會決定，股東大會無定足數要求，此等合併案之決定係經由股東會有效投票之簡單多數決為之。此等基金之股東大會將決議已由本公司發起之合併之生效日，此等決議無定足數要求，並應由出席或代表出席股份之簡單多數決決議通過之。

股東亦得決定以歸屬於本公司或任何基金之資產或負債與任何新 UCITS 或其他 UCITS 之新子基金之資產為合併（UCI 法律所定義者）。此等合併以及合併生效日之決定，應經本公司或相關基金股東會決議之，此等決議出席股份數應達已發行股份百分之五十以上，並經出席股份數三分之二以上同意為之，但此等合併如係與共同投資基金(*fonds commun de placement*) 為之，則此時股東會決議只對同意合併之股東發生拘束力。如係與契約型之盧森堡 UCITS（「共同投資基金」）為合併，未同意合併之股東除對本公司為書面相反之指示者外，將視為已為股份贖回請求。此等資產如因任何理由不得或不能分派予此等股東將以權利人之名義寄存於 *Caisse de Consignation*。

若本公司（或任何基金，視情況而定）為被合併實體，其法人格因而消滅者，則無論合併係由董事或股東發起，本公司（或相關基金，視情況而定）之股東大會應決定合併之生效日。此等股東大會之出席股份數應達已發行股份數百分之五十以上，並經出席股份數三分之二以上同意為之。

儘管有前段所述授予董事之權力，任何股份級別之股東大會，皆得依據董事提議，決定藉由改變股份級別之特徵以重組股份級別，以便使同一基金之一種或多種股份級別與其他一種或多種股份級別為合併。此等股東大會無應出席股份數要求，而係以出席或代表出席股份數之簡單多數決決議之。

分割

如生下列情形：

(A) 董事認為基金之分割符合相關基金股東之最佳利益；或

(B) 發生與相關基金有關之政治、經濟或金融情勢之變動，

基金得以分割為二個或多個基金之模式重整之。

本公司應於基金分割生效日之一個月前通知相關基金之股東，此通知中須包含分割之理由與程序。分割生效日以前，除非董事另為其他酌定（以股東最佳利益行使之），相關基金之股東有權請求贖回或轉換其股份，並免除任何可能適用之贖回費用（但須考量投資之實際贖回價格與變現費用）。

儘管有前段所述授予董事之權力，任何基金之股東大會得依據董事提議，同意相關基金分割為二個或多個基金。此等股東大會無應出席股份數要求，而係以出席或代表出席股份數之簡單多數決決議之。

與上述合併相同之情形下，董事得藉由改變股份級別之特徵以重組股份級別，以便將一種股份級別分割為同一基金之二種或多種不同之股份級別。本公司應於基金重組生效日之一個月前通知相關基金級別之股東，此等通知中須包含分割之理由與程序。重組生效日以前，除非董事另為其他酌定（以股東最佳利益行使之），相關基金級別之股東有權請求贖回或轉換其股份，並免除任何可能適用之贖回費用（但須考量投資之實際贖回價格與變現費用）。

儘管有前段所述授予董事之權力，任何基金級別之股東大會得依據董事提議，決定藉由改變股份級別之特徵以重組股份級別，以便將一種股份級別分割為同一基金之二種或多種不同之股份級別。此等股東大會無應出席股份數要求，而係以出席或代表出席股份數之簡單多數決決議之。

賠償

依據公司章程規定，針對本公司所有董事、代理人、查核簽證會計師或經理人以及其個人代表人於涉及或關於本公司業務或事務之行為或執行或履行其職責、權力、權限或裁量權，應以本公司資產負擔賠償之責而使其免於遭受因此招致或承受之訴訟、法律程序、成本、費用、支出、損失、損害或債務，包括此等人員就本公司於盧森堡或其他地方之任何法院所涉訟之民事程序中為本公司進行辯護（無論是否成功）所招致之訴訟、法律程序、成本、費用、支出、損失、損害或債務。此等人員不對下列情形負責：(i)對於其他人所為之行為、收受款項、過失、違約或疏失；或(ii)參與款項收受但非由其個人收受；或(iii)因本公司財產所有權之瑕疵所致之損失；或(iv)因本公司任何投資款項之擔保不足；或(v)對於任何因銀行、經紀商或其他代理人所招致之損失；或(vi)對於任何於執行或履行其職務或與其職務相關之職責、權力、權限或裁量權時發生之損失、損害或不幸事件，惟前開情形若係因其本身之重大過失、故意不當行為或對本公司之詐欺而產生者則不在此限。

資產之抵押及擔保

就其對第三人之義務，本公司已對特定基金設定資產抵押並可能設定其他擔保。若基金違約未履行協議中約定之義務，交易對手得依據所適用之法律規定執行已設定給交易對手之擔保品（占有及/或處分該資產），以清償基金所積欠之款項。

文件之取得

以下文件之副本得於盧森堡的任何完整銀行營業日之通常營業時間內於本公司註冊辦公室免費取得：

- (A) 公司章程與任何章程修正條款；
- (B) 最新公開說明書及重要投資人資訊文件（KID）；
- (C) 最新公布之「股東會和提交予股東之報告」標題下所提及之報告和財務報表。

上述協議得由當事人合意修改之。

發布通知

向股東發出的有關基金投資的任何相關通知或其他通訊均可在網站 <https://www.mandg.com/investments/hub> 上發布，除非 1915 年 8 月 10 日關於商業公司的法律（經修訂）或公司章程中另有規定。因此，請股東定期查閱本網站。

除了在網站上發布任何通知外，還將繼續以書面或盧森堡法律規定的其他方式通知股東。

利益衝突

董事、管理公司、投資管理機構、存託機構、註冊及過戶代理人、行政代理人及/或其個別之關係企業或任何關係人（統稱為「關係人」），得隨時擔任或以其他方式涉及於其他與基金擁有類似或不同目標或可能投資基金之其他投資基金的董事、投資管理機構、經理人、銷售機構、受託人、保管機構、存託機構、註冊代理人、經紀商、行政代理人、投資顧問或交易商。因此，上述之任一人員，於執行業務之過程中，可能與基金產生潛在之利益衝突。關係人已透過合理設計的政策和程序，以防止、限制或減輕利益衝突。此外，這些政策和程序旨在遵守適用的法律，即產生利益衝突的活動將被法律限制或禁止，除非有例外情況。董事與各關係人於任何時候皆將考量其對於基金所負義務，並將努力確保此等衝突以公平之方式解決。此外，在遵守所適用法律之範圍內，對於依據一般商業準則且於公平交易之基礎上進行磋商所進行之交易，任何關係人皆得以委託人或代理人之地位，與基金進行交易。於遵守所適用法規及投資管理契約、管理契約、行政協議、存託機構協議以及註冊及過戶代理人協議等契約條款之情況下，任何關係人皆得以委託人或代理人之地位，與本公司進行交易。

投資管理機構、其任何關係企業或其任何關係人，得對其他投資基金或帳戶以直接或間接之方式進行投資、管理或提供建議。所稱其他投資基金或帳戶，指投資基金或帳戶所投資資產亦屬基金所得買賣者。投資管理機構、其任何關係企業或其任何關係人，就其所發現之與任何交易或自該等交易所取得之任何利益相關的投資機會，均無義務提供予本公司或本公司的帳戶（或與基金分享或通知本公司），但此等投資機會，將於本公司與其他客戶間公平分配。

在適用的情況下，可以考慮用績效費的前景來激勵投資管理機構進行比其他情況風險更高的投資，並增加相關基金的風險狀況。存託機構得作為其他開放式投資公司之存託機構。關於存託機構利益衝突所為安排之更多資訊，摘錄於本公開說明書中之「存託機構」章節中。存託機構就其所負義務可能產生之利益衝突，將不時提供相關說明。此外，若存託機構將其全

部或一部之保管職能複委任次保管機構，存託機構將不時就該複委任可能產生之利益衝突提供清單。

計算基金之資產淨值時，行政代理人得向投資管理機構就特定投資標的之評價進行諮詢。投資管理機構或任何次投資管理機構對於基金淨資產計算之參與，與其所享有依基金淨資產為基礎計算之管理費權利，二者間存在固有之利益衝突。

基金之投資可能發生之潛在利益衝突，包括但不限於上述說明。

董事將確保其所察覺之任何利益衝突以公平途徑解決。

共同管理及資產彙總

為確保管理本公司之效率，董事得決定將一個或多個基金之全部或一部資產與本公司之其他基金之資產共同管理（亦即「資產彙總（pooling）」）；又或，如本公司之存託機構同為指定之存託機構，得共同管理其他盧森堡投資基金或其他盧森堡投資基金之一個或多個基金（下稱「共同管理資產方」）中一個或多個基金之全部或一部資產（除了預留現金外）。這些資產將遵循各別共同管理資產方之投資政策為管理，各投資政策皆尋求相同或類似之目標。共同管理資產方只會在符合其個別公開說明書規定以及投資限制下參與資產之共同管理。

各共同管理資產方將依其撥付共同管理資產之持有比例，參與資產之共同管理。資產將會依其撥付共同管理資產之持有比例分派予各共同管理資產方。各共同管理資產方對於共同管理資產之權利適用於該等共同管理資產之每一項投資標的。前述共同管理資產由共同管理資產方之現金撥付或由其他資產組成。其後，董事得定期連續撥付資產至共同管理資產。在不超過特定共同管理資產方所參與管理資產之數額內，資產亦得撥回予該共同管理資產方。自共同管理資產收益所生之股息、利息及其他收益，將依其各別投資比例分配予各共同管理資產方。該等收益得由共同管理資產方留存，或再投資於共同管理資產。所有因共同管理資產所生之費用與成本，由該等資產吸收。該等費用與成本將依據個別共同管理資產方對於共同管理資產之權利比例，分派予各共同管理資產方。

若違反投資限制而影響本公司的基金，當該基金參與共同管理，且即便投資管理機構已遵守共同管理資產所適用之投資限制規定，該投資管理機構仍應依該基金持有共同管理資產之比例減少投資標的，或減少其持有共同管理資產之比例以符合基金之投資限制。

公司清算或本公司董事決定取回本公司或本公司基金於共同管理資產之持有比例時，共同管理資產將依其持有比例分派予共同管理資產方。

投資人須了解，資產之共同管理僅確保各共同管理資產的保管銀行相同時，得為資產之有效管理。共同管理資產並非可明確區分之法法律實體，且投資人無法直接取得。惟屬於本公司各基金之資產及負債部分皆可明確區分。

基準指標規則及基準指標使用

基準指標規則要求管理公司制訂並維護完善的書面計畫載明當基準指標（同基準指標規則之定義）實質性變更或停止適用時所應採取之行為。管理公司應遵守此義務。有關該計畫之進一步資訊，可從管理公司之註冊辦公室免費取得。

（以下略）

政策

- 根據盧森堡法規之要求，管理公司將在其註冊辦公處所提供以下額外信息：
- 有關投訴處理的程序；
- 公司行使表決權所遵循之策略；
- 最佳執行策略；
- 給予和接受獎勵之程序。

風險因素

以下所述的風險不應被視為潛在投資人在投資基金之前應考慮之風險的詳盡清單。不同的風險可能適用於不同的基金。投資人應在申購股份前詳閱本公開說明書及相關基金補充文件，並諮詢其專業財務顧問。

投資人在申購股份前應考慮以下因素：

一般風險

投資人應了解持有證券的固有風險：

產業風險

本公司無法保證將實現任何基金之投資目標。基金的投資結果取決於投資管理機構的成功投資。不能保證投資管理機構所做出的投資決策、所使用的任何投資流程與模型將產生預期的結果。

申購費用之風險

如收取申購費用，則在短期內贖回股份的投資人（即使相關投資價值沒有下降）也可能無法取回原始投資金額。

因此，股份應視為中長期投資。

存託機構 – 獨立、次保管機構和破產風險

如果證券由次保管機構或證券存託機構或結算系統所持有，則該等證券可由該等機構以客戶之綜合帳戶持有，於任何該等機構發生違約的情況下，如有不能協調的證券短缺，本公司可能必須按比例分攤該差額。該證券可能存放於存託機構無義務指定為其次保管機構的結算經紀商，且存託機構對此等結算經紀商之行為或違約不負任何責任。在某些情況下，若存託機構已履行職責，則存託機構對其指定之次保管機構的行為或違約不負責。

本公司存在其存託機構或次保管機構進入破產程序的風險。在此程序期間（可能持續多年），本公司對於由存託機構或相關次保管機構（視情況而定）所持有資產之運用可能受到限制，因此（A）投資管理機構尋求達成各基金投資目標之能力可能受到嚴重限制，（B）基金可能被要求暫停計算資產淨值，而因此暫停股份之申購和贖回，和/或（C）資產淨值可能會受到影響。在此過程中，本公司可能是特定資產的無擔保債權人，因此本公司可能無法從存託機構或相關次保管機構（視情況而定）的破產財產中收回全部或任何該等資產。

市場危機與政府干預風險

全球金融市場目前經歷普遍和根本的破壞，導致廣泛而前所未有的政府干預。這種干預在特定「緊急」情況下實施，而無太多或任何通知，此等干預結果將使得一些市場參與者繼續實施特定策略或管理其未處分投資部位風險的能力突然地和/或實質地被消滅。鑑於全球金融市場的複雜性以及政府能夠採取行動的時間有限，這些干預措施有時在其範圍和運用上並不清楚，而導致混亂和不確定性，此將對市場之有效運作以及以往成功的投資策略造成重大不利影響。

無法確切地預測政府可能對市場額外施加之臨時或永久限制，和/或這種限制對投資管理機構執行基金投資目標能力的影響。然而，全球金融市場增加監管的可能性很高，可能因此對基金投資組合的表現產生重大損害。

FATCA 及遵守美國預扣稅要求之風險

美國刺激就業法之條款（一般稱為 FATCA）一般將對於以下情形徵收 30% 之預扣稅：（A）2013 年 12 月 31 日以後之某些美國來源付款（包括利息和股利），（B）2016 年 12 月 31 日後實現之處分美國股票或債務投資所生之總收益及（C）不早於 2017 年 1 月 1 日開始，特定國外主體之被視為可預扣款項之特定付款，除非本公司與 IRS 訂立 FFI 協議（如「稅賦-美利堅合眾國」所定義）則不在此限。盧森堡已簽署與美國 FATCA 有關的 IGA（如「稅賦-美利堅合眾國」所定義）。董事會擬根據 IGA 遵守 FATCA 規定。為遵守規定，本公司將被要求每年向盧森堡稅務機關申報特定投資人（一般為美國納稅人或美國納稅人所持有的投資人）的身份相關資料以及與其持股相關之細節。

未能及時向本公司提供所要求訊息的股東（或依 FATCA 為「外國金融機構」之股東，而未能與 IRS 訂立 FFI 協議或以其他方式合於 IGA 之規定者）一般將依據其於基金之持股，就其直接或間接歸屬於美國投資之此類任何付款數額被徵收 30% 的預扣稅額。

雖然本公司將試圖履行其義務以避免被徵收預扣稅，但不能保證本公司能夠履行這些義務。股東被認定為應提供訊息之人或其他 FATCA 所規定之人時，則其可以選擇贖回該等股東於任何基金中的利益，或要求該股東將該等利益轉讓給不受 FATCA 約束者、以及依本公開說明書條款於各方面均為合格之股東。如果本公司因美國刺激就業法而被課徵預扣稅，所有股東的報酬可能會受到重大影響。

避險風險

為規避基金的外匯風險，可藉由從事期貨、遠期契約或其他證券交易所交易或店頭衍生性金融商品或購買證券以進行避險交易（下稱「避險交易」）。投資管理機構在合理確實可行的情況下，可從事遠期外匯交易或減少貨幣波動風險的其他方法，以求規避基金外匯風險。

若從事投資組合避險，旨在降低基金的風險程度或規避基金持有之部分或全部證券之計價貨幣之貨幣曝險。為投資組合進行的任何貨幣避險可能無法完全規避貨幣曝險且無法完全消除貨幣風險。避險交易雖然潛在地降低基金或股份級別之貨幣和通貨膨脹的風險，但可能另外產生其他特定風險，包括交易對手違約的風險，如下述「衍生性金融商品-交易對手」的風險因素。

潛在投資人應該注意，本公司不能保證任何避險交易隨時有效。

資本與收益變動之風險

各基金之投資將受到正常市場波動以及其他投資股份、債券及其他股票市場相關資產之既有風險之影響。這些波動在市場混亂和其他特殊事件發生時可能更為極端。無法確保能使任何投資增值或確實達成投資目標。投資的價值及收益可能下跌或上漲，投資人可能無法取回原始投資金額。過去績效並非未來績效之指引。

交易對手風險

基金可每日與市場參與者進行交易以建構資產，其將導致短期交易對手風險。此外，基金可將其資產投資於信貸機構的隔夜存款、貨幣市場基金、國庫券或其他類似現金證券。依據市場情況，若管理公司認為符合本基金最佳利益，得持有此類附屬流動資產較長時間。

進行店頭衍生性金融商品交易的基金將暴露於交易對手。一個基金並不總是能分離其與許多交易對手的店頭衍生性金融商品交易，以及無法與任一交易對手交易，可能導致重大損失。雖然指數股票型衍生性金融商品普遍被認為較店頭衍生性金融商品的風險低，其仍然有衍生性金融商品或標的資產延長交易時間的風險，導致基金不可能實現所得或預防損失，進而造成贖回股份之延遲。另外，經由交易系統處分指數股票型衍生性金融商品可能無法在期待的時間點發生。

交易對手的信用風險受到 M&G 投資表現及投資管理機構內的風險委員會所建之合格架構管理，並每年查核。每年至少會由風險專業人員在進行商業往來前，對交易對手進行一次完整的盡職調查，以確保對方之財務狀況及交易限制是否仍符合商業往來。交易限制奠基於交易對手的整體信用狀況以及正在進行的商業活動性質，這些要素是否符合交易限制受到每日的監控。另外，小組將監視新聞以及評等機構發布的評級變動消息，並在投資管理機構內的風險團隊認為交易對手的信用狀況已被重大警示時，調整交易對手的限制。

如果一基金進行店頭衍生性金融商品（包括遠期外匯）交易，其必須與核准的店頭交易對手進行並簽署適當的法律文件，即國際交換交易暨衍生性商品協會（"ISDA"）。ISDA 協議還包含信用擔保附約（「CSA」）。如果基金須遵守 EMIR 結算要求，而交易對手亦為結算經紀商，ISDA 協議必須附加結算附約。此外，在店頭市場清算的情況下，另外還需要清算衍生性金融商品執行協議（「CDEA」）。這些法律文件確保在發生違約的情況下對債務進行區隔，並與各個交易對手、結算經紀商、結算所和本公司確立適當的擔保品和可接受的扣減率。額外之雙邊和清算店頭市場主要控制包括：每日投資部位評價、每日擔保、零門檻和淨額沖抵。由於擔保品的結算週期，本公司可能會有受擔保和未受擔保的綜合風險。若一基金的指數股票型衍生性金融商品採用每一交易所要求的每日初始保證金及變動保證金，則任何由代表此基金的結算經紀商持有之超額保證金將被視為那經紀商之交易對手風險。由專業風險人員進行估值，並由專門的後台部門獨立管理抵押品。

流動性風險

基金的投資可能會受到流動性限制的影響，意指證券可能交易不頻繁且交易量小。通常流動性證券也可能在市場困境期間下流動性明顯降低。因此，投資價值的變化可能更加不可預測，且在某些情況下，可能較難以最新市場報價或以認為公平的價格交易證券。

流動性係指一資產或證券在市場上買賣及變現之容易程度與即時程度。

流動性風險是指基金組合中的部位無法在短時間內，以有限成本銷售、清算或關閉之風險，一基金在其股東要求的許可時間內贖回其股份的能力也因而被延後。

市場流動性問題來自於多樣原因，例如負面的經濟或市場狀況，或政治事件，或投資人的負面印象（無論是否為正確），將可能在特定時期內導致以下結果：

- 對證券發行者、證券本身、或部位之交易對手、或部位本身的感知價值及信譽之變更；
- 降低投資人在熊市購買、大手筆動作、或擴大買賣差價之意願；

- 特定證券或其他相關股票交易、政府或監察機構所規範的金融商品之交易延遲或限制；或
- 通常為大量的贖回要求。

流動性較低的證券（例如投資等級以下、未評級之債券、中小型股票、新興市場證券）比市場流動性高的證券有更大的風險。該證券的市場報價是變動的，或是受到大買賣價差的影響，交易者因無法處分資產或清算部位之風險而尋求保護。

流動性因這寫因素下降可能對基金以理想價格或時間點賣出一部位有不利影響：

- 被迫在不利的時間點賣出，或是在不產生損失的情況下，或是根本無法賣出投資時，使基金價值受不利影響；
- 防止一基金符合贖回要求或流動性需要；或
- 防止一基金利用其他投資機會。

在某些狀況下，處分贖回申請可能大幅地長於其他證券之處分週期，因而導致與基金購買時機的不配合，因此這在規劃贖回收益之再投資時，需要被納入考量。

股份暫停交易風險

投資人宜注意，於例外情況，其出售股份或贖回股份之權利可能被暫停。

取消風險

於適用取消權之情形下而行使取消權者，若在本公司收到投資人有意執行取消前價格下跌，所投資之金額可能無法全部收回。

通貨膨脹風險

通貨膨脹率的變動，將影響投資之真正價值。

稅賦風險

投資人於其居所地國或住所地國所適用於集體投資計畫之現行稅制，並非保證永久不變，仍可能變動。任何變動對投資人所收取的報酬可能有負面影響。

基金投資組合產生的收入和/或收益可能須徵收預扣稅、資本利得或其他稅收，包括但不限於由該基金持有證券發行人因稅賦目的所組成、設立或居住的司法管轄區所徵收的稅款。基金廣泛地依賴租稅協定，以降低其投資國家的國內預扣稅率。投資國家的稅務機關可能會因適用相關租稅協定而改變立場，此等情形存在風險。因此，在投資上可能會遭受更高的稅賦（例如在該外國管轄區被徵收預扣稅）。因此任何此類預扣稅可能會影響基金和投資人的報酬。

基金也可能因其投資組合的任何取得、處分或交易中之實際上或名目上金額，致生或承擔交易或其他類似的稅款，包括但不限於該基金或交易對手所持有之證券發行人因稅賦目的所組

成、設立或居住的司法管轄區所徵收的稅款。基金投資證券或進行交易時，於申購時雖無預扣稅、資本利得、交易或其他稅項，惟不能保證將來不會因為任何適用法律、協議、規則或法規或其解釋之變更而扣除或徵稅。相關基金可能無法收回該等稅款，因此任何變動可能對股份之資產淨值產生不利影響。

如果基金選擇或被要求為該基金或本公司目前或先前期間應付或可能為應付的稅款承擔稅務責任及/或準備金（無論是否符合目前或未來的會計準則），將對該基金股份的資產淨值產生不利影響。這可能依特定股東進入和退出相關基金的時間而對該等股東致生利益或損害。

稅制發展風險

基金適用之稅賦法規因下列因素持續變動：

(I)技術上的發展-法規改變；

(II)解釋的發展-稅務機關適用法律之方式改變；及

(III)市場慣例-雖已有制定稅法，但於實務上適用該等法律可能有困難（例如：操作上的限制）。

基金及投資人居所地國或住所地國之稅制變動，對投資人所收取的報酬可能產生負面影響。

新加坡次投資管理機構常設機構之風險

（以下略）

網路事件風險

如同其他商業企業，使用網路和其他電子媒體及技術使基金、其服務提供者及其各自運作受到網路安全攻擊或事件（統稱為「網路事件」）的潛在風險。網路事件可能包括未授權進入系統、網絡或設備（例如，通過「駭客」活動）、電腦病毒感染或其他惡意軟體代碼以及以關閉、癱瘓、減緩或以其他方式中斷操作、業務流程或網站之進入或功能之攻擊。除了蓄意的網路事件之外，也會發生非蓄意的網路事件，例如無意間發布機密訊息。任何網路事件都可能對基金及其股東產生不利影響。

網路事件可能導致基金或其服務提供者遺失其自身訊息、遭受資料損毀、喪失操作能力（例如喪失處理交易、計算基金的資產淨值或允許股東交易業務的能力）和/或無法遵守適用的隱私權和其他法律。除了其他潛在的有害影響之外，網路事件還可能導致對基金及其服務提供者的基礎設施或操作系統被盜竊、未經授權的監控和故障。此外，網路事件可能影響基金投資標的之發行人進而導致基金的投資喪失價值。

營運風險

M&G 集團，公司和基金面臨運營風險，即內部流程不足或失敗，人員和系統錯誤，第三方服務提供商錯誤或外部事件導致的，存在於其所有業務中的財務和非財務影響風險。M&G 集團尋求通過控制和程序並實施操作風險架構來降低這些操作風險，以便識別，評估，管理和報告操作風險及相關控制措施，包括 IT，數據和外包安排。但是，運營風險是所有活動和

流程中固有的，暴露於此類風險可能會嚴重破壞 M&G 集團的系統和運營，從而可能導致財務損失，監管責難，不利的投資者業績和/或聲譽受損。

不可抗力因素，包括恐怖攻擊，戰爭，自然災害，疾病大流行風險

如果發生，持續，或延伸重大恐怖襲擊或戰爭，其他戰爭或其他敵對行為，則可能嚴重破壞某些基金以及公司代表某些基金與之交易的對手方的運作。

此外，嚴重的大流行病或自然災害（例如颶風或超級颱風）可能會嚴重破壞全球經濟和基金的運作。特別是，最近影響世界各地的「新型冠狀病毒」（COVID-19）爆發可能對準確確定基金擁有的投資價格的能力產生重大不利影響，這可能進一步加劇導致對基金資產的估值不準確。如果發生疾病大流行或自然災害，出於安全和公共政策的原因，參與公司運營的相關個人和實體可能會在受到疾病大流行或自然災害影響的範圍內被要求暫時關閉他們的辦公室，並禁止各自的僱員上班。任何此類關閉都可能嚴重破壞向公司提供的服務，並對基金的運營造成重大不利影響。

永續發展風險

投資管理機構(或次經理人)做投資決策時，會考量基金投資標的的永續發展風險。永續發展風險定義為，有關環境、社會、公司治理的相關因素，且當相關因素出現會對投資價值和/或報酬產生負面影響者。基金經理人辨識這些風險、整合至投資決策與風險控管，並將其視為實際或可能的基金重大風險或提升長期風險調整報酬的機會。所有的基金皆採行 ESG 整合策略。

除此之外，在附錄 1 中描述的有特定 ESG 目標或特性的 Planet+基金，基金經理人還會應用 ESG 標準、ESG 和永續發展標準以及/或 ESG 與影響標準，來達成在基金補充文件中所定義的投資目標。

永續發展風險的影響因特定風險、資產種類、地區有許多不同態樣。因此對於永續發展風險影響的評估取決於投資組合中持有有價證券的種類。

下列為可能影響基金報酬的永續發展風險態樣：

- 環境風險包括但不限於公司減輕或適應以下情形的能力：氣候變遷、更高的碳排放價格、水資源稀缺及可能更高的水價格、廢棄物處理及全球或當地環境影響
- 社會風險包含但不限於產品安全、供應鏈管理、勞工標準、健康安全與人權、員工福利、資料與隱私問題及增加的科技管制
- 公司治理風險包含但不限於董事會組成與效力、誘因管理、管理品質及利益關係人之利益一致

下列為永續發展風險可能對基金的投資標的造成的影響：

- 股票與股票相關證券：永續發展風險可能影響股票的價格，影響增資的需求或發放股利的能力
- 固定收益證券：永續發展風險可能影響借款人的現金流及其償債能力，也可能透過影響稅務營收、貿易餘額、或國外投資，來影響信用品質或主權債券的價格、貨幣價值。若不能有效地控制這些風險，可能導致財務結果的惡化，以及對社會與環境的負面影響。對於發行的公司或政府，若無法有效控制，會導致信用評級與證券定價的下降。

- 其他財務投資與曝險，例如現金、約當現金、貨幣市場工具、外國匯率、利率：主權或政府債券發行人或貨幣市場工具的發行工具或約當現金的永續發展風險與固定收益證券(信用品質、價格、貨幣價值)的相近。現金存放與擔保品的取得也與永續發展風險有關，會影響交易對手提供現金存放與擔保品的能力，進而影響其履行義務之能力。永續風險亦會影響主權債券發行者所統治之地區的相關匯率與貨幣利率。
- 衍伸性金融商品：以上所提及之因素亦會影響衍伸性金融商品，因為衍伸性金融商品合約通常以上物的資產種類作為「標的資產」。因此此標的受永續發展風險的影響也可能影響衍伸性金融商品交易的現金流。衍伸性金融商品交易的相對方也可能與永續發展風險有關，影響其履行義務之能力(通常反應於信用評等)。基金經理人用大量第三方提供的資料像是信用評等，來辨識永續發展風險及可能的影響。本研究揭露有關永續發展風險的資訊，已併入投資管理機構的信用分析與投資決策過程。
- 集體投資計畫：以上所描述的因素也可能影響持有以上資產種類之集體投資計畫的表現。除此之外，永續發展風險也會影響集體投資計畫之發行人履行對該財務產品義務的能力。

ESG 資訊風險

自第三方資料提供者之 ESG 資訊可能不完整、不正確或無法取得。因此，投資管理機構(或適用之次投資管理機構)可能有不正確評量證券或發行人之風險，進而誤將一證券納入基金投資組合或排除在外。不完整、不正確或無法取得的 ESG 資訊亦會限制非財務投資策略的使用。基金管理機構(或適用之次投資管理機構)將會透過取得自己的評估來減輕此一風險。

投資排除風險

基金的投資政策可能排除不符合特定標準(例如像是最低信用評級之類的財務標準，或是 ESG 審查之類的非財務標準)的潛在投資。這會導致基金可能會與其他相似但沒有類似標準的基金，有不同的表現。

基金特定風險

投資人應詳閱相關基金補充文件，以參考各特定基金相關的具體風險。

貨幣及匯率風險

基金持有貨幣或資產計價幣別如與該基金之計價幣別不同，則匯率波動將對基金之價值造成影響。

利率風險

主要投資於固定收益投資標的之基金，其資本及投資收益價值將受利率波動之影響。如基金投資組合部位中持有長期證券之比例很高，其影響將更為明顯。

信用風險

基金之價值將因發行人之違約或預期增加信用風險等情事而降低，此係由於投資標的之資本、收益的價值及流動性很可能會降低。相較於未達投資等級之債券(標準普爾或惠譽評等低於 BBB-，或穆迪評等低於 BAA3)而言，例如評等為 AAA 之政府公債或公司債或投資等級之債券(標準普爾或惠譽評等為 BBB-以上，或穆迪評等為 BAA3 以上之債券)，其違約風

險相對較低。然而該評等可能隨時變動或降級。評等越低者違約風險越高。未評等債券與具有類似特徵的評等債券之風險類似。

零收益或負收益

運用衍生性金融工具執行基金空頭部位所生之成本（例如貨幣或政府債券的空頭部位），可能導致投資組合為零收益或負收益。在這種情況下，基金可能不會實行任何分配，而任何差額將以資本填補。

新興市場風險

本基金可能投資新興市場債券、外匯工具和股票，與投資於已開發市場相比，可能會導致額外的風險。

新興市場國家之證券市場一般而言規模與效率遠不如已開發經濟體之證券市場，且交易量顯然較少，故可能導致缺乏流動性。在某些情況下，當地可能不存在證券交易市場，而需要在鄰近的交易所進行交易。

因此，基金如大量投資或交易於新興市場上市或交易之證券，其資產淨值波動程度可能較投資於已開發國家公司之證券的基金劇烈。此外，保管機構可能無法就證券保管、結算和管理等提供在已開發市場中慣用標準之服務，且本公司存在不被代表其持有證券之次保管機構認定為證券所有人的風險。

某些國家對於外國投資人匯回投資收益、本金或銷售證券所得可能存在大量的限制或實施投資限制，所有限制皆可能對基金造成負面影響。

許多新興市場並沒有發展完全的法規系統及揭露標準。此外，新興市場國家之公司所適用之會計、稽核、財務報告標準、其他法規實務及揭露標準（向投資人揭露的類型、品質及時程等資訊）均較已開發市場不嚴謹。因此，較難適當評估投資機會。一些新興市場證券可能會受到政府徵收仲介或股份轉讓稅，這些稅收將會增加投資成本，並可能在銷售時減少已實現收益或增加該等證券的損失。

特定新興市場國家之市場及政治情況之惡化可能波及區域內其他國家。

政治風險及不利的經濟環境（包括沒收風險及國有化風險）於該等市場較可能發生，而導致投資價值風險。

上述因素可能導致基金單位暫停交易。

烏俄戰爭

2022年2月24日，俄羅斯軍隊開始全面入侵烏克蘭，截至本公開說明書撰寫之日，兩國仍處於活躍的武裝衝突中。大約在同一時間，美國、英國、歐盟和其他一些國家宣布了一系列新的或擴大的製裁、出口管制，以及其他針對俄羅斯、有俄羅斯支持的烏克蘭分離主義地區和某些銀行、公司、政府官員以及俄羅斯和白俄羅斯的其他個人的措施。

持續的衝突和迅速演變的應對措施有機會對全球（包括在基金投資的國家）經濟和商業活動產生負面影響，因此可能對某些基金的投資績效不利。衝突的嚴重程度和持續時間及其對全

球經濟和市場狀況的影響無法預測，因此可能會為某些基金營運及其投資績效，以及實現其投資目標的能力，帶來重大的不確定性和風險。

如果任何相關投資、服務提供商、供應商或某些其他方在俄羅斯、烏克蘭、白俄羅斯或鄰近地區有重大業務或資產，也會存在類似的風險。

特定資產類別、地區或產業風險

投資於特定國家、地區、行業或資產類別的基金可能比投資於更廣泛投資領域的基金波動性更大，資本風險也更高。這是因為與可能跨多個地區、行業和資產類別投資之後者相比，前者更容易受到市場情緒和其投資的國家/地區/行業/資產類別特有風險之影響。

小型公司風險

主要投資於小型公司的基金可能比投資大型公司的基金更易波動且承擔較高投資風險。這是因為前者更容易受到市場情緒的影響。

投資組合集中風險

基金可能因持有相對較少的投資標的，結果更加波動，並可能少數大量持股而受到影響。

通膨連結基金風險

如果基金旨在提供保護其不受通貨膨脹的影響，通貨膨脹率的變化可能會影響您投資的實際價值。基金並不必然追蹤通貨膨脹率。

基金負債風險

股東對基金債務概不負責。股東在全額支付所購入股份後，即無須再向基金支付任何款項。

受保護帳戶-外國法院風險

雖然公司章程規定基金間之債務彼此獨立，但在某些情況下，例如當基金相關之契約文件無法解釋為已規定債務獨立之情況，債務彼此獨立之概念可能不被法院承認並賦予效力。如當地債權人於外國法院或依外國契約求償，且負擔該責任之基金無法履行其義務，則無法確定外國法院是否會就公司章程所載之債務獨立規定賦予其效力。因此，無法確定一基金之資產能在任何情況下都與本公司其他基金之債務獨立。

負利率風險

基金持有之現金或貨幣市場工具係依據資產中特定貨幣的現行利率。在某些利率環境下可能導致負利率。於該等情況下，基金可能須就存款或持有貨幣市場工具支付費用。

投資於基金之風險

集體投資計畫（或「基金」）投資於一定範圍之資產，而各資產均有其個別風險。雖然投資管理機構將以適當的技能及注意選擇投資之計畫，然而其無法控制該等計畫之管理或其標的證券之公平價格。因此，無法保證基金持有標的之公平價值均能反映於所申報之資產淨值。

固定配息的基金或股份級別之風險

如果您從基金或股份級別收到的收益分配為固定利率，而基金投資產生的收益過低，則您的收益分配可能部分或全部由本金支出。這可能會導致資本增長受限。

贖回費用風險

基金可能會有相關基金補充文件所述的贖回費用。在某些情況下，贖回費用可能依持有投資期間而變化，若在申購後短期內即贖回，贖回費用可能較高。股東應特別留意相關基金補充文件中所述之贖回費用。

歐盟和歐元區風險

幾個國家的主權債務情況惡化，以及該情形蔓延至其他較穩定國家等風險，已加劇了全球經濟危機。這種情況也引起了歐洲經濟暨貨幣聯盟的穩定性和整體地位一定程度之不確定性，並可能導致歐元區組成的變化。

由於歐洲的信貸危機，歐盟委員會成立了歐洲金融穩定基金（EFSF）和歐洲金融穩定機制（EFSM），為處於財政困境而尋求協助的歐元區國家提供資金。2011年3月，歐洲理事會同意歐元區國家需要建立永久穩定機制，即歐洲穩定機制（ESM），該機制自2013年7月1日起承繼EFSF和EFSM對歐元區國家提供外部財政協助之角色。

儘管採取了這些措施，但其他歐元區國家可能面臨借款成本增加以及可能面臨與賽普勒斯、希臘、愛爾蘭、義大利、葡萄牙和西班牙類似的經濟危機等風險仍在增加，加上某些國家可能脫離歐元區（自願或非自願）以及這些事件可能對歐洲和全球金融體系產生嚴重影響等風險，此均可能對擔保品產生負面影響。

此外，在歐元區主權債務危機可能惡化的隱憂下，可能導致在一個或多個歐元區國家重新引入本國貨幣，或者在更極端的情況下，可能會全面瓦解歐元。一個或多個國家退出歐元區或有退出風險和/或放棄歐元作為貨幣可能對發行人、投資組合之投資（包括因重新更改幣值以及任何受影響地區的相關扣減所產生的貨幣損失風險）和證券產生重大的負面影響。如果歐元完全瓦解，歐元計價的債務持有人在法律和契約上的後果將由屆時有效的法律決定。此等潛在發展或市場觀念及相關議題，可能會對證券或投資組合投資之價值產生不利影響。難以預測歐元區危機的最終結果。投資人應謹慎考量歐元區的變動可能如何影響其投資的證券。

中國風險

若干基金得依據其投資政策，投資於以下標的：

- 透過滬港通和深港通投資中國A股；及/或
- 透過債券通投資於中國銀行間債券市場交易之中國境內債券。

投資中國境內（國內）市場將受到下列風險的影響：投資於新興市場之投資風險、適用於中國投資之其他風險（如本節所述），以及中國市場的額外特定風險。

中國政治、經濟及社會風險

投資於中華人民共和國（下稱「中國」）在政治變動、社會不穩和不利的發展等方面可能會面臨特定的風險，這些風險可能發生在中國或與中國有關，特別是對中國政府和有關部門的政策進行額外的限制和改變。投資人應注意到，中國市場可能會出現徵收、沒入性賦稅和國有化風險，所投資價值具有風險且影響投資於中國的基金績效。

同時，為了支持經濟增長和控制通貨膨脹，中國政府在過去幾年裡實施了經濟措施和改革措施。但不能保證中國政府將繼續維持這種經濟政策及中國的經濟增長將會持續下去。經濟政策的變化可能對中國經濟產生不利影響，從而影響投資於中國的基金績效。

中國法律制度風險

滬港通和深港通均受到中國大陸和香港相對較新的監管。這些規定未經測試，可能會有變動。此外，對於如何適用和可執行性也不確定。無法保證此類規定的變更、解釋或執行不會對基金可能投資證券之中國發行公司的經營操作產生重大不利影響。

中國會計及報告準則風險

雖然適用於中國企業的會計、查核和財務標準和實務應以國際會計及報告準則為基礎，但按照中國會計準則和實務編制的財務報表與按照國際會計準則編制的財務報表間可能存在重大差異。

人民幣貨幣風險

因為受到中國施加的外匯管制政策和分配限制，人民幣目前不是可以自由兌換的貨幣。以外幣兌人民幣之匯率係依據離岸人民幣（「CNH」）適用的利率計算。離岸人民幣對銀行間外匯市場中其他主要貨幣的每日交易價格係在中國人民銀行公佈的匯率中間價區間浮動。離岸人民幣的價格可能與在岸人民幣（「CNY」）的價格非常不同，其原因包括但不限於中國政府不時適用的外匯管制政策和匯回限制以及其他外部因素和市場力量。

如果將來這種政策發生變化，基金投資部位可能因該基金持有人民幣計價資產而受到不利影響。在不能保證人民幣不會貶值之情形下，投資價值可能會受到不利影響。

離岸人民幣市場處於發展階段，市場參與者有時可能難以取得或處分離岸人民幣。此外，政府或法規對於離岸人民幣市場的干預可能會影響離岸人民幣的可取得性和/或可兌換性。在這種情況下，匯率可能會大幅波動且無法透過任何常用管道取得匯率。

滬港通及深港通之風險

部分基金可能會透過滬港通和深港通尋求投資於在大陸證券交易所上市公司發行的股票。滬港通和深港通是連接上海或深圳和香港股票市場的新交易計劃，可能會受到額外的風險因素影響。香港和中國大陸的投資人可以通過其當地市場的交易所和結算所對另一市場上市的股票進行交易和結算。

根據滬港股票市場交易互聯互通機制（下稱「滬港通」），基金得透過香港經紀商交易在上海證券交易所（下稱「上交所」）上市的某些合格股票。滬港通的範圍包括上證 180 指數和上證 380 指數的所有成分股，以及在上交所和香港聯合交易所（下稱「聯交所」）雙重上市的所有中國 A 股。

根據深港股票市場交易互聯互通機制（下稱「深港通」），基金得透過香港經紀商交易在深圳證券交易所（下稱「深交所」）上市的某些合格股票。深港通的範圍包括深交所成分指數和深交所小型/中型創新指數的所有成分股，以及在深交所和聯交所雙重上市的所有中國 A 股。

只有某些中國 A 股符合透過滬港通和深港通取得之資格。此類證券隨時可能會喪失資格，並從滬港通和深港通的範圍除名。透過滬港通和深港通進行交易的合格股票遭除名時，該股票只能出售但限制購買。這可能會影響相關基金的投資組合或策略。

此外，投資人應注意，適用於發行中國 A 股公司的市場規則和揭露要求，此類規則和要求的變更可能影響股價。

- 交易限制

投資中國 A 股的基金因其在中國 A 股所取得利益，將適用中國 A 股之交易限制（包括保留收益限制）。根據目前的中國大陸規則，一旦投資人持有一個上交所或深交所上市公司股份達 5%，投資人必須在 3 個工作日內揭露其利益，且在該期間不能交易該公司股份。投資人亦需根據中國大陸規則揭露其持股變動及遵守相關交易限制。

- 中國 A 股受益人

基金透過其屬於聯交所參與者的基金次保管機構的經紀商交易上交所和深交所股份。這些中國 A 股將於參與結算之經紀商或保管機構結算後，以香港中央結算有限公司（下稱「香港結算公司」，其為在香港之中央證券存託機構及名義持有人）之中央結算及交收系統（下稱「中央結算系統」）之帳戶持有。香港結算公司再透過其於中國證券登記結算有限責任公司（下稱「中國結算公司」，其為中國大陸中央證券存託機構）註冊的「單一名義綜合證券帳戶」持有所有參與者的中國 A 股。

各基金將投資之中國 A 股將由香港結算公司以基金名義代基金持有，各基金將被視為中國 A 股受益人。因此，基金僅得透過其名義人行使其權利。在中國這種權利的法律和受益權概念尚處於早期階段且受益人執行權利的機制未經測試，因此構成不確定的風險。

投資人應注意，根據現行的中國大陸實務，基金作為透過滬港通和深港通所交易中國 A 股的受益人不得指派代理人代為出席股東會議。

如果香港結算公司在香港進入清算程序，投資人應注意，即使在中國大陸法律下，中國 A 股也不會被視為可分配給債權人的香港結算公司一般資產的一部分。但是，香港結算公司將無義務代表中國 A 股投資人於中國大陸採取任何法律行動或進行法院訴訟程序來行使任何權利。

香港結算公司為香港交易所之全資子公司，負責為各市場參與者及投資人執行清算、結算及提供存託機構、名義人及其他相關服務。透過滬港通和深港通掛牌交易的中國 A 股以無實體形式發行，投資人不會持有任何實體的中國 A 股。雖然香港結算公司並無擁有以中國結算公司之綜合股票帳戶持有的中國 A 股之股權利益，但中國結算公司作為上交所和深交所上市公司的股份註冊機構，仍於香港結算公司執行有關中國 A 股的公司行為時將其視為股東之一。

- 中國結算公司違約風險

中國結算公司建立了由中國證券監督管理委員會核准和監督的風險管理架構和措施。在中國結算公司違約的情況下，香港結算公司根據其與結算參與者的市場合約，香港結算公司就中國 A 股所負擔之責任將僅限於協助結算參與者對中國結算公司追償。香港結算公司將在符合誠信原則下，透過可行法律管道，並透過中國結算公司的清算程序（如適用），向中國結算公司追回滬港通和深港通流通在外的證券和資金。香港結算公司將依滬港通和深港通有關當局規定，按比例就所收回之滬港通和深港通的證券和/或款項分配給結算參與者。中國結算公司違約之機會很低。

- 香港結算公司違約風險

香港結算公司未能履行其義務或遲延履行可能導致結算失敗或中國 A 股和/或與之相關的資金損失，而基金及其投資人可能因此遭受損失。本公司應對任何此類損失負責或承擔責任。

- 波動風險

中國 A 股流動性交易市場的存在可能取決於中國 A 股的供給和需求。如果中國 A 股交易市場是受限的或不存在，基金可能購買或出售之證券價格以及基金資產淨值可能會受到影響。中國 A 股市場可能更加波動和不穩定（例如，由於特定股票暫停交易或政府干預的風險）。中國 A 股市場的市場波動和交割困難也可能導致在這些市場上交易的證券價格大幅波動，從而可能影響投資中國 A 股的基金價值。

鑑於中國 A 股市場被認為波動和不穩定（具有特定股票暫停交易或政府干預的風險），則股份之申購和贖回也可能被中斷。

- 暫停風險

預期滬港通和深港通有權暫停或限制於相關交易所的證券交易，以確保有秩序和公平的市場，且風險受到謹慎管理。特別是證券交易所對中國 A 股實施交易區間限制，如果中國 A 股的交易價格上漲或下降超過交易區間限制，該股票於相關證券交易所的任何交易均可能會被暫停。該暫停交易將使相關基金無法變現部位，從而使基金遭受重大損失。此外，當暫停被取消時，基金可能無法以有利價格變現部位，從而使受影響的基金遭受重大損失。最後，如果暫停執行交易，相關基金進入中國市場的能力將遭受不利影響。

- 額度及其他限制風險

滬港通和深港通允許非中國投資人在沒有執照的情況下交易中國股票，透過此類計劃購買證券將受到不定時發布的市場配額限制，這可能會限制基金及時透過滬港通和深港通交易之能力。滬港通和深港通的初期交易受限於跨境投資最高配額及每日配額。雖基金購買中國 A 股係對其有利，然而配額限制可能阻止基金為之。特別是一旦達到配額，下單將被拒絕（雖然投資人將被允許出售其跨境證券，而不管配額餘額如何）。這可能會影響基金有效執行其投資策略的能力。

- 交易日差異風險

由於滬港通和深港通係透過香港經紀商和聯交所交易，故滬港通和深港通只能在中國和香港市場均開放交易日且兩個市場的銀行均在相應的交割日開放時運作。因此，可能發生在中國市場正常交易日內，基金無法透過滬港通和深港通進行任何中國 A 股交易之情形。因此，滬港通和深港通的價格可能在基金無法增加或減少其投資部位的時候波動。

此外，投資人不得在同一交易日購買和出售相同證券，這可能會限制基金透過滬港通和深港通投資中國 A 股的能力，以及限制基金在有利之情形下，於同一交易日進入或退出交易之能力。

- 欠缺投資人保護風險

滬港通和深港通交易不受香港、上交所或深交所的投資人保障計劃所保障。經由滬港通和深港通投資上交所或深交所股票者，係由經紀商進行投資，並有經紀商履行義務違約的風險。基金的投資不受香港的投資人賠償基金的保障，該投資人賠償基金之設立是針對有關在香港證券交易所交易之產品，因有執照的中介機構或經授權的金融機構違約而遭受金錢損失的任何國籍的投資人進行賠償。由於透過滬港通和深港通之上交所或深交所股票的違約事項不涉及在聯交所或香港期貨交易所有限公司上市或交易的產品，其不受投資人賠償基金的保障。因此，基金會面臨透過滬港通和深港通從事中國 A 股交易的經紀商違約風險。

- 成本風險

除了支付與中國 A 股交易相關的交易費用、徵稅及印花稅以外，基金投資透過滬港通和深港通交易中國 A 股可能會被徵收尚未由有關當局決定和公布的新費用。

中國銀行間債券市場及債券通之風險

中國銀行間債券市場（下稱「CIBM」）係為店頭市場，大多數在岸人民幣債券在此交易。CIBM 處於尚在發展及進行國際化之階段。債券通係為中國與香港間債券交易之聯結，使合格外國投資人得投資於 CIBM 交易之中國境內債券。

市場波動及因交易量低而可能缺乏流動性等因素，可能會導致中國境內債券價格大幅波動，且投資於 CIBM 之基金可能會蒙受損失。該等基金亦可能曝露在交割程序及交易對手違約相關之風險中。

透過債券通投資 CIBM 亦可能承受監管風險。該等體制之規則及規定可能會改變，進而對該等基金投資 CIBM 並達成其個別投資目標之能力，產生溯及既往之影響。

中國稅賦風險

- 一般情況

管理公司保留就投資中國證券之任一檔基金預留適當之中國稅賦之權利，進而影響本基金之評價。

由於對中國證券收益是否或如何課稅，加上中國稅務法律、規定及慣例及/或目前對稅賦之解釋或瞭解可能變更，且可能溯及既往適用稅賦等因素之不確定性，管理公司為稅賦預留之準備金可能過多，或不足以負擔因處分中國證券之所得所生之之最終中國稅賦責任。投資人依該等收益之課稅方式、準備金水準、及其股份於/自該等基金申購及/或贖回之時間，可能因此獲益或對其不利。

透過投資於中國稅務居民所發行的中國 A 股，除中國稅法與規定或相關稅賦協議（「協定」）所賦予之豁免或減免之外，基金在中國可能被徵收預扣稅和其他稅項。這種稅賦可能會減少該基金的收益和/或對該基金績效造成不利影響。

股東依據自身情況，可能受中國或在其他司法管轄區的稅賦限制。不能保證基金因投資中國 A 股所支付的稅款會依個人稅收目的歸屬於任何股東。

中國目前的稅法、規則和實務在未來可能變更並溯及既往。

- **企業所得稅（「CIT」）**

根據 2008 年 1 月 1 日起生效的中國企業所得稅法以及施行規則，受海外國家或地區法律規範下，其「有效管理地區」在中國境內的公司，為企業所得稅指的「居民企業」。「有效管理地區」係指公司主要及所有針對商業、人員、帳戶及資產的管理與控制所發生之地。居民企業通常被課予其全球收入之 25% 作為企業所得稅。

非居民企業但在中國境內有設廠者，應被課予其自中國境內得來，以及自中國境外得到卻與中國境內商務有關之財稅收入的 25%，作為企業所得稅。

投資中國 A 股的基金之管理上，本公司與該等基金不得視為中國的稅務居民企業或視為依企業所得法在中國境內設有常設機構（「常設機構」）的非稅務居民企業，但無法對此作出保證。

因本基金並非中國稅務上的居民企業或為了企業所得稅設立的非居民企業之私募股權投資，本基金只需繳交自中國得來（例如股息、利息、資本利得等等）的財稅收入之 10% 作為預扣所得稅（下稱「預扣稅」），除非根據中國和本基金作為一稅務居民或可實行中國稅務規範的法律管轄區之間的可採用之稅賦措施或安排而可被減少或豁免。

- **中國 A 股股利的預扣所得稅**

除非特別豁免/減免適用，否則自藉由滬港通及深港通投資中國 A 股的基金取得之股利和其他收益分配及來自中國的收入，適用中國的預扣稅。一般適用的預扣稅率為 10%，並受限於適用之雙重課稅協定的減免。中國 A 股發行者在發放股利給基金時有，有保留預扣所得稅之義務。此類預扣稅可能會減少投資於中國 A 股的基金的收益和/或對該基金績效造成不利影響。

- **中國 A 股股利的資本利得之預扣所得稅**

根據自 2014 年 11 月 17 日生效之財稅[2014]第 81 號—關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知（簡稱「81 號文」）以及 2016 年 12 月 5 日生效之財稅[2016]第 127 號—關於深港股票市場交易互聯互通機制試點有關稅收政策的通知（簡稱「127 號文」），香港交易者自滬港通及深港通的中國 A 股交易所得之資本利得為中國境內產生之收入，但暫時豁免中國預扣所得稅。根據 81 號文及 127 號文，暫時豁免中國預扣所得稅並無時間限制。

- **投資中國 A 股之增值稅**

股利並非課予增值稅之範圍。因此，來自投資中國 A 股基金所得之股利不需課中國增值稅。

根據財訊[2016]第 36 號及 127 號文，香港投資人（包括本基金）經由滬港通及深港通投資中國 A 股所得之資本利得並不需要課增值稅。

- **印花稅**

中國法律規定的印花稅通常適用於中國「印花稅暫行條例」中列出的所有應納稅文件的執行和收訖。透過滬港通和深港通進行交易的香港市場投資人必須按照現行的中國稅法規定（目前轉讓方所支付的 0.1% 轉讓價值由股票交易所的結算機構持有，例如中國證券登記結算有限公司），支付買賣中國 A 股和透過繼承和贈與轉讓中國 A 股的印花稅。

- **投資於經由債券通在中國銀行間債券市場交易中國在岸債券的中國稅賦考量**

自投資於中國政府債券及地方政府債券基金所得之債息豁免於中國預扣所得稅及增值稅。

中國財政部及稅務總局（「SAT」）在 2018 年 11 月聯合公布財訊[2018]第 108 號（「第 108 號文」）。根據第 108 號文，在 2018 年 11 月 7 日至 2021 年 11 月 6 日期間，外國機構投資人（包括本基金）藉由中國銀行間債券市場交易中國在岸債券所得之債息暫時豁免於中國增值稅及預扣所得稅。2021 年 11 月 26 日，中國財政部和稅務總局聯合發布財稅 [2021] 34 號（以下簡稱「34 號文」），正式延長 108 號文規定的免稅期限。該免稅期限適用於透過合格境外機構投資者（QFII）、人民幣合格境外機構投資者（RQFII）、銀行間市場直接投資債券（CIBM）和債券通渠等方式，從境內債券市場向境外機構投資人支付的債券利息收入。該延長期限自 2021 年 11 月 6 日起至 2025 年 12 月 31 日。

投資於在中國銀行間債券市場交易中國在岸債券的基金所得之收益豁免於中國增值稅。

目前並沒有釐清針對從外國機構投資人轉讓中國債券而得的收益之中國公司所得稅或預扣所得稅的中國特定法律。根據中國公司所得稅的一班規定及中國財政部及稅務總局的口頭解釋，基金處分中國在岸債券所得的資本利得應被認為非來自中國的收入，因此不須課予中國預扣所得稅。中國人民銀行在 2017 年 11 月發行的指導方針顯示，外國機構投資人（包括本基金）投資於在中國銀行間債券市場交易中國在岸債券的基金所得之收益不可課中國預扣所得稅。然而，中國人民銀行的指導方針並無約束力。預扣所得稅措施顯示其中和中國財政部及稅務總局的口頭闡釋一致。實務上，中國稅務機構並無強制預扣所得稅之徵收。

- **法律和監管的不確定性**

現行中國稅法的解釋和適用性可能不像成熟國家那樣一致和透明，而且可能因地區而異。中國目前的稅法、規則和實務在未來可能會改變並溯及既往。此外，不能保證目前對外國公司提供的稅收優惠（如有）不會被廢除，以及現行的稅法和規則將來不會被調整或修改。任何這些變動可能會減少投資中國 A 股之基金的股份收入和/或股份價值。不能保證未來可能頒布的中國新稅法、規則和實務不會對投資中國 A 股的基金和/或其股東之稅務風險產生不利影響。

特定中國 QFI 風險

透過投資管理機構第三方之 QFI 證照所進行的投資

根據中國的現行法規，外國投資者可以透過在中國取得 QFI 資格的機構，投資於 QFI 相關法規允許持有或交易之證券和投資（「QFI 合格證券」）。

在基金補充文件中規定的情況下，相關基金可透過投資管理機構的 QFI 身份直接投資於 QFI 合格證券。

現行的《QFI 條例》中有一些規則和限制，包括投資限制的規則，這些規則適用於整個 QFI，而不僅是相關基金進行的投資。透過具有 QFI 資格的機構進行的 QFI 合格證券投資，一般要遵守適用於每個 QFI 的投資和市場進入限制。中國政府對 QFI 施加的此類規則和限制可能對基金的流動性和績效產生不利影響。

投資者應留意違反 QFI 法規對 QFI 活動所產生的投資，可能會導致撤銷許可證或引起其他監管行動，包括對上述 QFI 發行的 QFI 合格證券的投資，使相關基金受益。

贖回限制

如果相關基金是透過投資管理機構的 QFI 證照投資於中國的證券市場，則從中國匯出的資金可能要遵守不時生效的 QFI 法規。因此，投資法規和/或國家外匯管理局採取之與匯出資金有關的方法可能會不時改變。中國託管機構可憑書面申請或指示以及相關基金出具的繳稅承諾書，為 QFI 合格金融機構的投資管理機構處理資本和/或匯出利潤。

託管機構及經紀商風險

相關基金透過投資管理機構 QFI 身份獲得的 QFI 合格證券，將由中國託管機構透過在 CSDCC 結算或其他中央清算和結算機構的證券賬戶和在中國託管機構的現金賬戶，以電子形式保存。

投資管理機構也會選擇中國經紀商在中國市場為相關基金執行交易。投資管理機構可以根據 QFI 法規的規定，為每個市場（如上海證券交易所和深圳證券交易所）指定至最高數量的中國經紀商。如果相關基金使用相關中國經紀商的能力因任何原因受到影響，可能會擾亂相關基金的運作。相關基金也可能因相關中國經紀商或中國託管機構在執行或結算任何交易或轉移任何資金或證券時的作為或不作為而招致損失。此外，如果 CSDCC 維護的證券賬戶中的資產出現不可調和的短缺，可能是由 CSDCC 的過失或 CSDCC 的破產造成的，相關基金可能遭受損失。在投資管理機構認為合適的情況下，如果只委任一個中國經紀商，相關基金可能不會支付最低的佣金或差價。

在符合中國適用的法律和法規的前提下，託管機構將作出安排，確保中國的託管機構有適當的程序以妥善保管基金的資產。

根據《QFI 條例》和市場慣例，在中國的投資基金的證券和現金賬戶應以「QFI 投資管理機構的全名-基金全名」或「QFI 投資管理機構的全名-客戶賬戶」的名義保管。儘管有這些與第三方託管機構的安排，《QFI 條例》仍需由中國相關部門進行解釋。

此外，根據 QFI 條例，投資管理機構作為 QFI 將是有權獲得證券的一方（儘管這種權利並不構成所有權權益），相關基金的此類 QFI 合格證券可能容易被投資管理機構的清算人索賠，並且可能不如僅以相關基金的名義登記那樣得到良好的保護。特別是投資管理機構的債權人可能會錯誤地認為相關基金的資產屬於投資管理機構，而這些債權人可能會試圖獲得相關基金資產的控制權，以償還投資管理機構對這些債權人的債務。

投資者應注意，存於相關基金在中國託管機構處的現金賬戶之現金將不會被分隔，而是作為中國託管機構對相關基金的存款人的欠款。這些現金將與屬於中國託管機構的其他客戶的現金混合在一起。如果中國託管機構破產或清算，有關基金將對存入該現金賬戶的現金沒有任何所有權，而有關基金將成為中國託管機構的無擔保債權人，與所有其他無擔保債權人享有

同等地位。有關基金在收回這些債務時可能面臨困難和/或遇到延誤，或可能無法全部或完全收回這些債務，在這種情況下，有關基金將遭受損失。

投資管理人作為合格境外機構投資者，應按照《境外機構投資者境內證券期貨投資資金管理規定》（中國人民銀行、國家外匯管理局公告[2020]第2號）（以下簡稱《管理規定》）的要求，委託其中國託管機構辦理相關註冊手續或向中國人民銀行、國家外匯管理局提交相關申請。投資管理人應與中國託管機構合作，履行真實性和合規性審查、反洗錢、反恐怖融資等方面的義務。

境內與離岸人民幣差異風險

雖然 CNY 和 CNH 是同一種貨幣，但它們在不同且獨立的市場上進行交易。CNY 和 CNH 的交易匯率不同，其變動方向也不盡相同。雖然有越來越多的人民幣在境外（即中國境外）被持有，但 CNH 不能自由匯入中國並受到某些限制，反之亦然。投資者應注意，透過投資管理機構的 QFI 證照投資於 QFI 合格證券的相關基金的認購和贖回，將以美元和/或相關股份類別的參考貨幣進行，並將轉換為 CNH/從 CNH 轉換，投資者將承擔與該轉換相關的外匯費用以及人民幣和 CNH 匯率之間的潛在差異風險。有關基金的流動性和交易價格也可能受到中國離岸人民幣匯率和流動性的不利影響。

特定 QFI 稅賦風險

由於間接或直接投資於 QFI 合格證券，本基金可能需要繳納中國征收的間接或直接預扣稅及其他稅項。投資者應注意，中國稅收立法的任何變化或澄清可能具有追溯性，並可能影響從本基金投資中可能獲得的收入數額和返回的資本數額。有關稅收的法律可能會繼續變化，並可能包含衝突和模糊之處。

根據目前中國的稅收法律和法規，QFI 的稅收規則存在不確定性。投資於 QFI 合格證券的 QFI 的稅務處理受 2008 年 1 月 1 日生效的中國企業所得稅法（「企業所得稅法」）的一般徵稅規定所制約。這是基於 QFI 的管理和運作方式，使其不被視為中國的稅收居民企業，也不被視為在中國有常設機構。根據《企業所得稅法》，對於在中國沒有任何機構或營業場所的外國企業，或在中國有機構或營業場所但其收入與該機構或營業場所沒有實際聯繫的外國企業，應徵收 10% 的預提所得稅（WHT），包括但不限於現金股息、分配、利息和轉讓 QFI 合格證券的收益。投資管理機構打算以防止其被視為中國稅收居民和在中國擁有常設機構的方式來運作相關基金，儘管這無法被保證。

中國財政部（「財政部」）和中國國家稅務總局（「稅務總局」）於 2016 年 3 月 23 日聯合發布了財稅 [2016] 36 號文（「36 號文」），就進一步推廣增值稅提供了實施指南。第 36 號通知自 2016 年 5 月 1 日起生效，增值稅將取代營業稅。根據 2016 年 5 月 1 日生效的第 36 號通知，除非有特定的豁免，否則將對那些有價證券（如中國 A 股）的銷售和購買價格之間的差異徵收 6% 的增值稅。36 號公告和財稅 [2016] 70 號公告（「70 號公告」）也規定自 2016 年 5 月 1 日起，合格投資者從有價證券交易中獲得的收益免徵增值稅。然而，「有價證券」一詞在稅收法律和法規中沒有定義，不清楚投資基金、指數期貨和權證是否屬於該定義範圍。此外，城市維護建設稅（目前稅率為 1% 至 7%）、教育費附加（目前稅率為 3%）和地方教育費附加（目前稅率為 2%）（統稱為「附加稅」）是根據增值稅債務徵收的，因此，如果合格投資者有義務繳納增值稅，他們也需要支付適用的附加稅。

國家稅務總局於 2009 年 1 月 23 日發布了國稅函 2009 第 47 號通知，闡明合格境外機構對來源於中國的股息和利息收入須繳納 10% 的中國預提稅。根據中國企業所得稅法及其實施細則，由國務院財政主管部門發行的政府債券所產生的利息應免徵中國所得稅。

財政部、稅務總局和中國證券監督管理委員會（「證監會」）於 2014 年 11 月 14 日發布了 QFII 財稅 [2014] 79 號《關於 QFII 轉讓中國境內股票等權益性投資資產取得的資本利得暫免徵收企業所得稅的通知》（「79 號通知」）。79 號通知指出，對合格境外機構投資者轉讓 2014 年 11 月 17 日前變現的中國股權投資資產（包括中國境內股票）取得的資本利得依法徵收中國企業所得稅。

79 號公告還指出，QFI（在中國沒有機構或營業場所，或在中國有機構或場所，但在中國取得的收入與該機構或場所沒有實際聯繫）將從 2014 年 11 月 17 日起對買賣 A 股所實現的收益暫時豁免企業所得稅。另外第 79 號公告指出，從 2014 年 11 月 17 日起，對買賣 A 股所實現的收益的企業所得稅豁免是暫時的。因此，當中國當局宣布該豁免的到期日時，相關基金將來可能需要作出準備以反映應付的稅款，這可能對相關基金的資產淨值產生重大負面影響。

除上述規則外，中國稅務機關尚未闡明，不構成股票或其他股權投資的證券（如債券和其他固定收益證券）的交易收益，是否應繳納所得稅和其他稅種。在沒有這方面具體規定的情況下，應適用《中國企業所得稅法》的一般稅收規定—其規定在中國沒有常設機構的非居民企業買賣中國證券所得，一般應按 10% 的稅率繳納所得稅，除非根據中國稅收法律和法規或適用的避免雙重徵稅條約或安排（如有）予以豁免。根據關於動產的《中華人民共和國企業所得稅法實施細則》第七條規定，應依轉讓該財產的企業、機構或者場所的所在地確定來源。在實踐中，中國稅務機關沒有對非中國稅收居民企業買賣中國稅收居民企業發行的債券/固定收益證券所產生的收益強制徵收中國的 WHT。然而，中國稅務機關並沒有出具書面確認，以確認外國投資者在交易中國稅收居民企業發行的債券/固定收益證券時獲得的收益是來自於非中國。因此，相關稅務機關有可能在未來澄清稅收狀況，並對合格投資者交易中國固定收益證券的變現收益徵收所得稅或預扣稅。

根據中國證監會公告[2020]第 63 號，QFI 將被允許投資於更多的資產類別，如存託憑證、債券回購、在國家證券交易所和報價網交易的股票、金融期貨、期權、外匯衍生品、私人投資基金等，自 2020 年 11 月 1 日起生效。對於 QFI 從新的允許資產類別的交易中獲得的資本收益，目前還沒有具體的規則和條例來規範中國的消費稅和增值稅。目前還不能確定 QFI 從新的允許資產類別的交易中獲得的資本收益是否需要繳納 10% 的 WHT。雖然 QFI 從市場證券交易中獲得的資本收益免徵增值稅，但稅收法律和法規沒有對「有價證券」一詞進行定義，目前尚不清楚新的允許資產類別是否屬於該定義範圍。因此目前還不能確定 QFI 從新的允許的資產類別的交易中獲得的資本收益是否需要繳納增值稅。如果要繳納增值稅，還有其他附加稅（其中包括城市建設與維護稅、教育附加費和地方教育附加費）也將被徵收，其金額高達應繳的 6% 增值稅的 12%。

當中國當局徵收此類稅款時，稅款責任將由 QFI 支付。在此情況下，對 QFI 徵收和應付的任何稅款將轉嫁給本基金，並由本基金承擔，只要該等稅款是通過本基金持有的合格投資機構的合格證券間接或直接歸屬本基金。董事可酌情代表基金就中國稅務機關可能徵收的資本稅收益向 QFI 提供賠償。

鑑於上述情況，部分或全部 QFI 可能會扣留某些款項，以備中國對歸屬於 QFI 的基金資本收益徵收預扣稅。QFI 扣留的金額可能由他們在特定時間內或無限期地持有。

董事認為可能需要設立儲備金，並就相關基金設立。該儲備金旨在支付可能因間接或直接投資於 2014 年 11 月 17 日之前的 QFI 合資格證券的股票投資而產生的潛在間接或直接中國稅務責任，以及有關基金間接或直接投資於 QFI 合格證券（股票除外）的已實現和/或未實現的收益。就與間接投資於 QFI 合格證券有關的潛在稅務責任而言，這也將涵蓋 QFI 扣留的金額所不能涵蓋的責任。

在中國稅務機關澄清對合格投資機構和/或基金有利的稅務責任時，全部或部分儲備金可能會退還給基金並由基金保留。如果中國稅務機關的澄清結果對合格投資機構和/或基金不利，則不能保證儲備金或合格投資機構扣留的金額將足以支付這些間接或直接的中國稅賦。如果扣留金額或儲備金不足以支付間接或直接的中國稅務責任，基金可能被要求付款以支付該等稅務責任。

投資者應注意，當中國稅務機關對 QFI 的立場、處理方法和徵稅影響作出澄清時，這些影響可能具有追溯力，從而使相關基金的資產淨值可能低於或高於相關時間的計算。此外，在已公佈的指導意見發布並在中國稅務機關的行政慣例中得到確立之前，有關 QFI 合格證券投資的做法可能與本文所述類似投資的做法或任何可能發布的新指導意見不同，或以不一致的方式適用。在這方面，如果投資者在中國稅務機關對 QFI 的稅務狀況作出澄清之前，贖回了該基金的份額，則不享有任何權利或要求獲得任何金額。

如果基金在中國稅務機關明確規定之前終止或不復存在，儲備金可能由基金保留或代表基金轉給投資管理機構。在這種情況下，投資者將不能拿到任何資金。

衍生性金融商品風險

衍生性工具

基金得為達成投資目標、避免資本、貨幣、期間及信用管理等風險及避險等目的，而從事交易所或店頭衍生性金融商品之衍生性金融商品交易及遠期交易。

一般而言，衍生性工具是金融契約，其價值取決於或衍生自標的資產、參考利率或指數的價值，可能涉及股票、債券、高收益債券（標準普爾或惠譽評等低於 BBB-，或穆迪評等低於 BAA3）、利率、貨幣或匯率及相關指標。多樣財務指標的衍生性工具可能比直接投資涉及更多標的資產，例如槓桿貸款及商品。

衍生性工具包括但不限於期貨、遠期契約、交換（包括總報酬交換）、選擇權、認股權證（使投資管理機構得於某個特定日期前以固定價格買入股票）和差價合約。這些工具可能高度波動且使投資人暴露於高損失風險。這些工具通常只需要較低的初始保證金存款，以便在這些工具中建立部位，並可能允許高度槓桿行為。因此，根據工具類型，契約價格相對較小的變動可能導致收益或損失，此佔實際作為初始保證金的資金數額之高比例，並可能進一步導致無法量化而超過任何保證金存款的損失。

風險管理流程文件列出了已核准的衍生性金融商品策略，此可向管理公司請求提供。

- **衍生性金融商品-關聯性（基差風險）**

關聯風險是因二利率或價格間差異所產生之損失風險。此一風險特別適用於當投資標的部位透過與該投資標的不同（但可能類似）之衍生性金融商品避險之情形。

- **衍生性金融商品-評價**

評價風險為因經許可之評價方式之不同，而對衍生性金融商品產生不同評價之風險。很多衍生性工具，特別是於店頭市場交易之衍生性金融商品係複雜、評價方式主觀，且其評價方式僅能由少數市場專業機構提供，該專業機構通常亦為該交易之交易對手。因此，每日評價可能與於市場交易部位時之實際取得價格不同。

- **衍生性金融商品-流動性**

流動性風險存在於當某項特定之工具難以買入或賣出時。當某些衍生性金融商品交易規模特別大或於場外（即店頭市場）交易時，則其流動性可能較低，因此較不易調整部位或平倉。若可能取得或售出時，其成交價可能與該部位於評價時所反映之價格不同。

- **衍生性金融商品-交易對手**

某些衍生性金融商品可能需要長期曝險於單一交易對手，這將使交易對手違約或無力償還之風險因此增加。縱然這些部位受擔保，其市值與所收取之對應擔保品間，以及最終契約交割金額與返還之擔保品價值間仍存有剩餘風險，此風險稱為日間風險。在某些特定狀況下，實際返還之擔保品可能與最初提供之擔保品不同，這可能影響基金未來報酬。

- **衍生性金融商品-交割**

基金對於衍生性商品契約到期時之交割能力，可能受到投資標的流動性程度之影響。於該等情況下，基金有產生損失之風險。

- **衍生性金融商品-法律風險**

衍生性金融商品交易通常分別以不同的法律安排承作。如為店頭衍生性金融商品，基金及交易對手間之交易係使用國際交換暨衍生性商品協會（「ISDA」）的標準合約。該合約包括如一方違約及交付與收取擔保品等情況。

因此，當法院質疑該等合約所定之責任時，基金將有產生損失之風險。

- **衍生性金融商品-EMIR**

某些基金可能會受到 EMIR 的限制，EMIR 是對店頭市場衍生性金融商品的規範，中央交易對手和交易資料庫還全面監管店頭市場衍生性金融商品。EMIR 通過要求將某些「合格的」店頭市場衍生性金融商品交易提交給受監管的中央清算對手方進行清算，並強制將衍生性商品交易的某些詳細資訊報告給交易庫，從而對店頭市場衍生性金融商品交易制定了統一要求。此外，EMIR 規定了適當的程序和安排，以測量，監控和減輕與未經強制清算的場外衍生性金融商品合約有關的操作和交易對手信用風險。這些要求包括保證金的交換，以及在交換初始保證金的情況下，各方（包括公司）對保證金的隔離。

遵守 EMIR 可能會導致基金範圍內的法遵成本增加，並可能導致簽訂和維護店頭市場衍生性金融商品合約的總成本增加。

投資者應注意，EMIR 和其他適用法律要求對店頭市場衍生性金融商品進行集中清算的監管變化可能會對基金遵守其各自投資政策並實現其投資目標的能力產生不利影響。

- **衍生性金融商品-波動性**

衍生性金融商品可使基金產生超過其資產淨值之市場投資曝險，從而使該基金之風險高於未運用該衍生性金融商品的類似基金。由於這種曝險，市場中任何正向或負向之波動幅度都可能對基金的資產淨值產生較大的影響。

- **衍生性金融商品-有限運用**

衍生性工具可能以有限的方式用於獲得投資曝險，而不是直接持有投資。在預期之情形下，相對於未投資於衍生性工具的類似基金，使用衍生性工具不會對基金的風險狀況造成重大影響，或增加價格波動之幅度。

曝險大於資產淨值

衍生性工具可能使基金產生超過其資產淨值之投資的信貸和股權曝險，從而使基金面臨更高的風險。由於市場曝險增加，市場任何正向或負向之波動幅度都將對基金的資產淨值產生較大的影響。然而，額外的信用和股權曝險將限制在不會實質增加資產淨值整體波動的程度內。

賣空

基金可能透過運用不具有相當實體資產擔保的衍生性工具來進行放空。空頭部位反映標的資產的價格預計將下跌的投資觀點。因此，如果這種觀點不正確且資產價值上漲，由於市場價格無限上漲的理論上之可能性，空頭部位可能會導致基金資本的損失。

然而，放空策略由投資管理機構積極管理，將使損失的程度受到限制。

貨幣策略

運用貨幣管理策略的基金可能會重大改變對貨幣匯率之曝險。如果這些貨幣無法產生如基金投資管理機構所期待之績效，該貨幣管理策略可能對基金績效產生負面影響。

負存續期間風險

如果投資管理機構認為殖利率有可能強勁上漲，基金可能會持有負存續期間部位。這意味著，如果債券殖利率增加，基金可能會產生資本利得，這通常不能透過典型的債券型基金來達成。但是，如果基金持有負存續期間部位而殖利率下降，那麼該等部位將不利於績效。

可轉換公司債風險

可轉換公司債券為公司發行的債券，持有人得選擇將債券轉換為公司股票。

可轉換公司債同時面臨債券和公司股份之相關風險，亦面臨資產類別之特有風險。其價值可能會根據經濟及利率情況、發行人的信譽、所投資公司股票的表現以及一般金融市場狀況而發生顯著變化。此外，可轉換公司債的發行人可能無法履行付款義務且信用評等可能被降級。可轉換公司債之流動性也可能比所投資公司股票差。

應急可轉換債務證券風險

應急可轉換債務證券（下稱「應急可轉債」）為公司發行的債券，在符合資本條件的情況下轉換為公司股份，並具有以下風險：

觸發標準和轉換風險：

應急可轉債是複雜的金融工具，蓋其觸發標準和轉換風險取決於資本充足率與觸發標準的差距。投資管理機構可能難以預測需將債券轉為股份的觸發事件，且難以評估證券在轉換時的表現。在轉換為股份的情況下，投資管理機構可能因為基金的投資政策不允許投資組合中存在股票而被迫出售這些新股份。這種強制出售可能導致這些股票的流動性問題。

未知和收益風險：

應急可轉債的結構創新且未經測試。此等投資工具因具有吸引人的收益率而得吸引投資人，該等收益率被視為複雜性溢價。收益率向為該資產類別吸引強烈需求的主要原因，但投資人是否已充分考慮潛在風險仍不清楚。相對於相同發行人發行之較高評等債券或其他發行人發行之類似評等債券，應急可轉債傾向以殖利率之觀點進行比較。須注意的是投資人是否已充分考慮轉換的風險或 AT1 應急可轉債之債息取消之風險。

減值、資本結構倒置和產業集中風險：

應急可轉債投資也可能導致實質損失。在這種情況下，如果應急可轉債經過減值，應急可轉債的投資人可能會失去部分或全部原始投資。與傳統資本層級相反，應急可轉債的投資人可能在股份持有人尚未有資本損失時遭受損失。在投資集中在特定產業之情形，應急可轉債投資人容易因影響該產業的不利事件而遭損失。

延期贖回風險：

應急可轉債作為永久性票據發行，只有經主管機關核准才能按預先確定的標準贖回。

債息取消風險：

對於某些應急可轉債，債息付款完全係取決於發行人之裁量，發行人可以在任何時點因任何原因和任何期間而取消。

流動性風險：

在某些情況下，為應急可轉債尋找準備好的買方可能很困難，賣方為出售該債券可能不得不接受對該債券的預期價值之大幅折讓。

證券化債券風險

特定基金得投資於資產基礎證券，這些證券之收入來源及價值來自於特定標的資產之資產池，而受此等資產池所擔保，這些特定資產可能是商業或住宅抵押貸款、信用卡應收帳款、學生貸款、汽車貸款、其他商業或消費者應收款、公司貸款、債券和全部業務證券化證券（下稱「資產基礎證券」）。

與其他固定收益證券（如政府發行債券）相比，與這些證券相關的義務可能承受更大的信用、流動性和利率風險。

資產基礎證券通常面臨延期風險（無法及時支付標的資產之債款）和提前還款風險（早於預期時間支付標的資產之債款），這些風險可能對證券支付的時機與現金流規模有重大影響，並可能對證券報酬產生負面影響。

當抵押和貸款提前還款時利率會下降，此時提前還款風險通常較大。因所產生的收入將必須以較低的現行利率進行再投資，這可能會對任何投資於該證券的基金報酬產生負面影響。相反地，利率上升時延期風險往往會增加，因提前還款率下降導致資產基礎證券之存續期間延長並使投資人面臨更高的利率風險。

個別證券的平均存續期間可能受到諸多因素的影響，例如任何選擇性贖回及強制性提前還款的存在及行使頻率、現行利率標準、標的資產的實際違約率、回收的時間和標的資產的流轉標準。

信用違約交換風險

信用違約交換是一種信用衍生工具，使一方（下稱「違約風險保護買方」）得將參考實體（下稱「參考實體」）的信用風險轉移給其他一方或多方（下稱「違約風險保護賣方」）。違約風險保護買方向違約風險保護賣方支付定期費用，以於參考實體遭遇一些事件（各稱為「信用事件」）的發生時得到保護。信用違約交換具有特定風險，包括高槓桿、權利金係為過期無價值之信用違約交換所支付之可能性、買賣價差大和文件風險。

此外，如果關於參考實體之信用事件發生，則不能保證信用違約交換之交易對手能夠履行其對本公司的義務。此外，信用違約交換的交易對手可能藉由聲稱在契約中使用的用語缺乏明確性或有其他解釋，以求在聲稱的信用事件發生後避免付款（尤其是說明何種情況構成信用事件之用語）。

交換合約風險

本公司得簽訂交換合約。交換合約可個別協商，並可包含各種不同類型的投資或市場因素之曝險。根據其架構，交換合約可能會增加或減少本公司對長期或短期利率、貨幣價值、企業借款利率或其他因素（如證券價格、一籃子股票或通貨膨脹率）之曝險。交換合約可以採多種不同的形式及各種名稱。如果符合公開說明書的條款及基金的投資目標和政策，本公司不限於採用任何特定形式的交換合約。

交換合約往往將公司的投資曝險從一種類型投資轉移到另一種類型的投資。例如，如果本公司同意以一種貨幣匯兌後支付另一種貨幣，則交換合約將傾向於降低本公司在第一種貨幣的國家和/或地區的利率曝險，並增加其在相關國家和/或地區之另一種貨幣和利率之曝險。取決於交換合約如何被使用，交換合約可能會增加或減少本公司投資組合的整體波動性。於履行交換契約時最重要的因素是特定利率、貨幣、個別股價或其他決定公司應支付及收取金額的因素之變化。如果交換合約要求本公司付款，本公司必須準備在到期時付款。另外，如果交易對手的信譽下降，與該交易對手間的交換合約價值可能會下降，此可能潛在導致本公司的虧損。交換合約的使用也可能導致如上定義的交易對手風險。

證券借貸及附買回協議風險

證券借貸及附買回協議涉及若干風險，其中包括許多與衍生性工具（如上述）和擔保品（如下述）相關之風險。此外，以下是可能相關的額外風險：

由於借券人違約或行政或操作上的錯誤，借券人可能遲延歸還證券借貸交易所出借的證券，或者根本無法歸還。這可能意味著基金無法履行完成出售相關證券的義務，導致其違反對第三方買方之契約義務。如果證券借券人違約，在基金所持有擔保品在相關時間的價值低於基

金借出證券時價值之情況下，基金即成為該差額之無擔保債權人，且可能無法取回全部或任何款項。

附買回交易涉及基金收到的現金面值跌至低於該交易中出售之證券之市場價值的風險。雖然基金一般有權要求追加擔保品，但若交易對手違約（例如破產或違約行為），且擔保品的價值低於出售證券的價值，則基金即成為該差額之無擔保債權人，且可能無法取回全部或任何款項。

附賣回交易涉及基金買入證券的市值跌至低於其支付之現金面值的風險。雖然基金一般有權要求追加擔保品，但若交易對手違約（例如破產或違約行為），且擔保品的價值低於所支付現金的價值，則基金即成為該差額之無擔保債權人，且可能無法取回全部或任何款項。

本公司目前並無從事證券借貸及附買回協議交易，在從事之前本公司將修改本公開說明書。

擔保品風險

取得擔保品可降低交易對手風險，但並不能完全消除風險。基金持有的擔保品價值可能不足以彌補基金對破產交易對手的曝險。這可能是由於擔保品的發行人本身違約（或者在現金擔保品的情況下，該現金被存放於無力償債的銀行）、相關擔保品的流動性不足，意指因擔保品提供者的違約導致擔保品無法及時出售、或由於市場事件所導致價格波動等情況。如果基金企圖在交易對手違約後變現擔保品，則有關擔保品可能沒有流動性或流動性受限或受有其他限制，任何實現收益可能不足以抵銷基金的交易對手曝險且基金可能無法彌補任何缺口。雖在保管中的擔保品資產也可能會遺失，但對於被保管的金融資產，存託機構將有義務歸還等值的資產。

擔保品管理也受到一定的作業風險的影響，可能導致無法要求擔保品來擔保基金之曝險，或無法要求交易對手在到期時歸還擔保品。本公司對基金帳戶所作的法律上安排具有無法於相關司法管轄區的法院進行強制執行的風險，意指本基金無法對交易對手違約就收到的擔保品行使其權利。

擔保品不會再利用。

如果透過所有權轉讓方式交付擔保品，基金將曝險於交易對手的信譽，並且在破產的情況下，針對所移轉擔保品金額超過基金對交易對手曝險之部分，基金之受償順位將為無擔保債權人。

固定期限基金風險

固定期限基金的投資目標和投資政策的性質下，基金的風險狀況可能會隨著基金的期限而變化。隨著證券的贖回以及到期日接近，與投資組合相關的風險性質可能會發生變化，基金的曝險可能會減少。因此，該基金的風險狀況可能在其成立日和到期日之間發生重大變化。

特殊目的收購公司 (SPAC) 風險

SPAC 是在收購目標公司之前成立的工具，目的是通過首次公開募股籌集資金，為收購提供資金。

在收購目標公司之前，SPAC 實際上是在預定期限內持有現金的工具，並持有預定的贖回權。

SPAC 受到某些風險因素的影響：

- 在收購之前，SPAC 面臨以下風險：擬議的收購或合併可能無法獲得 SPAC 股東的批准，或者可能需要其他批准但未能獲得，從而面臨放棄潛在投資機會的風險。
- 收購後，SPAC 以上市股權形式進行交易，由於新股市場普遍波動，股價可能會在短期內大幅波動。與規模較小的公司類似，SPAC 收購後，該股票的流動性可能較低，波動性更大，並且往往比較大公司的股票承擔更大的財務風險。與收購或合併有關的 SPAC 中的任何投資都將因被收購公司收購後的任何進一步融資而稀釋。

不良證券風險和違約證券風險

除非在相關基金的投資政策中明確指明，否則基金不得投資破產和違約債券。因此，以下風險警告僅適用於 M&G（盧森堡）美國高收益債券基金。

投資此類證券涉及重大風險。本基金投資於財務狀況不佳的發行人的證券，可能包括有大量資本需求或負淨值的發行人，或正在、已經或可能捲入破產或重組程序的發行人。

不良證券在流通期間通常不會產生收入，並且可能要求持有人承擔某些非常費用，以保護和覆蓋其持有的資產。通常，當投資管理機構認為該證券的發行水平與投資管理機構認為的公允價值存在重大差異，或者發行人很可能會做出不良反應時，就會對不良證券進行投資。交換要約或將受到重組計劃的約束，但是，不能保證將提出此類交換要約，或將採用此類重組計劃，或收到與此類交換要約有關的任何證券或其他資產交換要約或重組計劃的價值或收入潛力不會低於初始投資時的預期。

在持續投資高收益債券之前，投資管理機構將分析此類債券是否被視為不良證券，並確保遵守相關基金的投資政策。

違約證券是指發行人未能償還本金和/或支付利息的證券。

儘管投資違約證券可能會為基金帶來可觀的回報，但它涉及很大的流動性風險。

對於較低品質的證券，由於違約而造成損失的風險可能會大得多，因為它們通常是無擔保的，並且往往服從於發行人的其他債權人。如果基金投資組合中的證券發行人違約，基金可能會對該證券產生未實現的損失，從而可能降低基金的資產淨值。

違約證券在違約之前往往會損失大部分價值。因此，在發行人違約之前，本基金的資產淨值可能會受到不利影響。此外，如果基金必須嘗試收回違約證券的本金或利息，則可能會產生額外費用。

股份級別特定風險

投資者應閱讀與某些股份級別相關的特定風險。

未避險股份級別的貨幣風險

貨幣匯率波動將影響未避險股份級別的价值，因為該級別的貨幣與本基金的計價貨幣不同。

貨幣避險股票類別風險

匯率波動會嚴重影響投資收益，投資者應確保他們充分了解避險和非避險股票級別投資之間的區別。

貨幣風險

投資者應注意，無論採用股份級別避險方法，用於最小化匯率波動影響的貨幣避險都不會是完美的。它不能完全消除貨幣避險股份級別對貨幣變動的影響，也不能保證將實現貨幣避險目標。股東可能仍會遭受貨幣匯率風險的影響，而該風險是透過避險股份級別的貨幣以外的貨幣以及與避險過程中使用的工具相關的所產生的風險。

實施的貨幣避險等於貨幣避險股份級別資產淨值的 95% 至 105%。避險部位會受到持續監控，以確保它們不超過上述水平。但是，管理公司或其代表無法控制的因素，例如基金投資組合價值的變化或申購和贖回的數量，可能會導致避險過度或避險不足的部位。在這種情況下，貨幣避險將立即進行調整。

投資者應注意，如果貨幣避險股份級別的貨幣相對於相關避險參考貨幣下跌，貨幣避險策略可能會顯著限制相關貨幣避險股份級別的股東獲益。

在各個貨幣區域的利率非常相似，利率差異（IRD）很小的時期，對貨幣避險股份級別收益的影響很小。但是，在基金的相關避險參考貨幣與貨幣避險股份級別貨幣之間的利率差異顯著的环境中，IRD 會更高，而績效差異也會更大。

貨幣避險股份級別將被避險，並與貨幣匯率的變動無關。

外溢風險

貨幣避險交易產生的損益由各自的貨幣避險股份級別的股東承擔。

由於同一基金中不同股份級別之間沒有資產和負債的法律隔離，因此在某些情況下，存在風險：避險交易或對一種貨幣避險股份級別的抵押要求（如果此類活動已抵押）可能會對同一基金的其他股份級別產生不利影響。

資本分配風險

分配股份級別（例如帶有「F」，「SP」，「SY」，「EP」或「EY」後綴的類別）可以從投資收益、資本（包括淨實現和未實現資本利得和投資者的初始投資）中支付股息。這是因為不時支付的股息可能會超過相關基金的收入。

從資本中分配股利可能會超過股份級別的淨實現和未實現收益，並可能導致投資者的初始投資受到侵蝕。透過放棄股東投資未來資本增長的潛力，資本將被侵蝕，「收益」將得到實現，未來收益的價值也可能會減少。

在基金表現欠佳的時期，通常會繼續從資本中分配股利，與不支付股利時相比，股份級別的價值會更快下降。這個週期可能會持續到所有資本都用光為止。

用資本支付的股息可能與用收入支付的股息有不同的稅收影響，並且在某些國家中稅收效率低下。建議投資者就分配股份級別的投資尋求適當的稅收建議。

這種長期資本成長和資本侵蝕的風險與帶有「F」、「EP」或「EY」後綴的分配股票類別尤其相關。

對於帶有「F」後綴的分配股份類別，如果分配是基於每股資產淨值的固定金額或固定百分比，且與收入或資本無關，則可能需要從資本中支付股息基金賺取的投資收益不足以符合該固定金額或固定比例的。

分配股票類別以「EP」或「EY」後綴標識，優先考慮股息支付而不是資本增長，且分配的份額通常高於基金賺取的投資收入。可能需要從資本中支付股息，以提供這些股份類別分別旨在提供的增加支付或增加收益。

股息支付還可能包括貨幣對沖產生的利率差異。利率差異可以是正數、負數或為零。

正利差預計將增加可分配的分配金額。在分配計算中包含任何利率差異將被視為資本或資本利得的分配。相關股份類別的資本將不會從利率差異中受益，並可能導致資本侵蝕。

負利率差預計將減少可分配的分配金額。在極端情況下，如果利差為負且大於以參考貨幣計算的基金分配收益率，則可能不會支付股息。

績效費股份級別風險

管理公司有權就某些基金的某些股份級別收取績效費，該費用應支付給投資管理機構，詳見附錄 1。

基金的估值可能包括已實現和未實現的收益，而績效費可能是針對未實現且以後可能無法實現的收益而支付的。根據績效費的計算方法，即使最終該股東未獲得正報酬，股東也可能會須承擔績效費。

由於會計期間任何交易日的負表現而導致應計績效費減少時，它將被先前的任何每股正表現抵消，從而減少該股份級別中每股應計業績費。該費用調整可能與先前的正應計額不完全匹配，因為表現不佳時的已發行股份數量可能比原始應計時的已發行股份數量更多或更少。如果與表現良好時相比，表現不佳時已發行股票中的應計績效費發生逆轉，則較早的股份級別投資者可能會被稀釋至每股淨資產值。

投資限制與權限

董事基於風險分散原則，有權決定每個基金投資標的之投資政策、基金之參考貨幣以及本公司管理與業務之執行過程。

除了相關基金補充文件中針對特定基金所訂之更多限制規定外，投資政策應符合下列投資規則及限制：

1. 允許之投資標的

一個基金之投資標的應只包含下列項目之一項或多項：

- 1.1 被允許進入或於受監管市場上交易之可轉讓證券與貨幣市場工具；
- 1.2 於會員國之受監管、經常性運作且經承認並對公眾開放之其他市場上交易之可轉讓證券與貨幣市場工具；
- 1.3 被允許於非會員國證券交易所上市或於非會員國之受監管、經常性運作且經承認並對公眾開放之其他市場上交易之可轉讓證券與貨幣市場工具；
- 1.4 最近發行之可轉讓證券與貨幣市場工具，但應符合以下條件：
 - (A) 發行條件包含承諾將申請於前述 1.1 至 1.3 中所述之受監管市場、證券交易所或其他受監管市場核准上市；及
 - (B) 此等上市核准應於發行後一年內確定之；
- 1.5 UCITS 指令第 1 條（2）第 a）點及第 b）點所定義之 UCITS 及/或其他 UCI(s)之單位或股份（無論是否成立於會員國），但應符合以下條件：
 - (A) 此等其他 UCI(s)依法經授權，其須受到 CSSF 認為等同於歐盟法規之監督，且充分確保機關間之合作；
 - (B) 此等其他 UCIs 對單位持有人之保護程度相當於 UCITS 對單位持有人之保護程度，尤其是，資產隔離、借款、貸款以及可轉讓證券與貨幣市場工具之無擔保銷售等規則應相當於 UCITS 指令之要求；
 - (C) 其他 UCIs 之業務將於半年報與年報中報告，以評估報告期間之資產與負債、收入與經營情況；以及
 - (D) 依據其設立文件，UCITS 或其他 UCIs 不得投資於其他 UCITS 或其他 UCIs 之單位超過其資產之 10%。
- 1.6 存放於信用機構、得依請求償還或有權取回且於不超過 12 個月內到期之存款，此等信用機構應於會員國設有註冊辦公室，或如該等信用機構之註冊辦公室位於非會員國，其應符合 CSSF 認定為與歐盟法規定相等之審慎規則。

1.7 衍生性金融商品，特別是於受監管市場或其他前述 1.1 至 1.3 規定所述之其他市場上交易之選擇權與期貨（包括相等之現金結算工具）及/或店頭衍生性金融商品，但應符合以下條件：

(A) -標的包括基金依其投資目標與政策得以投資之工具，包含本第 1 節所涵蓋之工具、財務指標¹、利率、匯率或貨幣；

-店頭衍生性金融商品之交易對手為受審慎監管之機構，且屬於 CSSF 所批准之級別；

-店頭衍生性金融商品每日經可信且可驗證之評價，並得由本公司隨時透過抵銷交易，依據公允價值出售、清算或結算；且

-標的資產之曝險不超過下文 2.12 中規定的投資限制；

(B) 於任何情形下，此等操作均不得造成基金偏離其投資目標。

1.8 非於受監管市場上交易而為本公開說明書「定義」章節所定義之貨幣市場工具，惟須這些工具之發行或其發行人本身也受到管制，以保護投資者和儲蓄，並規定這些工具須為：

(A) 由中央、區域或當地機關、一會員國的中央銀行、歐洲中央銀行、歐盟或歐洲投資銀行、一非會員國或（如為聯邦國家）組成聯邦的成員之一或單一或多個會員國所屬之公共國際組織所發行或保證；或

(B) 由其證券係於上述 1.1、1.2 或 1.3 所述之受監管市場上交易之企業所發行；或

(C) 由依據歐盟法規定之標準受審慎監理之機構或由受限於且遵守經 CSSF 認定至少與歐盟法規定相同嚴格之審慎規則之機構所發行或保證；或

(D) 由其他機構發行之工具，但限於對這些工具之投資受到相當於第一、第二或第三項所規定之投資者保護，且限於發行人是一家資本和儲備金合計至少達一千萬歐元（EUR 10,000,000）並依據 78/660 / EEC 指令提交與發佈其年度帳目之公司、是擁有一家或數家上市公司之企業集團中之公司、是致力於為集團提供融資或是一家受益於銀行流動性額度且致力於證券化工具融資之企業。

1.9 由本公司一或多檔其他基金（下稱「目標基金」）發行之股份，須符合以下條件：

(A) 目標基金不投資於投資基金；

(B) 目標基金資產投資本公司其他基金不得超過 10%；

(C) 投資期間內，與目標基金可轉讓證券相關之表決權暫停行使；

1 符合關於 UCI 法律中某些定義之 2008 年 2 月 8 日盧森堡大公國法第 9 條。

(D) 於任何情形下，只要本公司持有此等證券，於確認是否符合 UCI 法律規定之淨資產最低門檻時，其價值皆不計入資產淨值之計算；以及

(E) 本公司之基金及其投資之目標基金未重複收取管理／申購或贖回費用。

1.10 然而，各基金：

(A) 投資於其他可轉讓之證券或貨幣市場工具不得超過其淨資產之 10%，惟前述 1.1 至 1.4 與 1.8 所提及者不在此限；

(B) 不得取得貴重金屬或代表此等物品之憑證；

(C) 得附帶持有現金與約當現金，但於董事所認定符合股東最佳利益下，得例外性、暫時性超過限額；

(D) 得於從事基金營業之必要下收購動產及不動產；

(E) 得對外借款達其淨資產 10% 之數額，但此等借款限於：(i) 僅得以暫時方式借入，或 (ii) 為購買於營業直接相關之不動產所為借入。如果基金根據 (i) 和 (ii) 點有權借款，該借款不得逾其資產總額 15% 之數額。關於賣出選擇權或購買或出售遠期或期貨合約之擔保品安排，不構成此部分限制之「借款」；並

(F) 得以背對背貸款 (back-to-back loan) 方式取得外幣。

2. 投資限制

2.1 為計算下述 2.3 至 2.7 和 2.10 之限制，同一企業集團之公司被視為單一發行人。

2.2 如發行人為具有多檔子基金的法律實體，而此等子基金之資產專屬保留予該子基金投資人及因其成立、營運或清算所產生債權相關之債權人，則於風險分散原則下，各子基金將被視為個別之發行人。

可轉讓證券與貨幣市場工具

2.3 基金於下列情形下，不得購買任何單一發行人之額外可轉讓證券與貨幣市場工具：

(A) 加上此次購買數額，此發行人之可轉讓證券與貨幣市場工具將佔基金淨資產超過 10%；或

(B) 基金將其淨資產 5% 以上投資於各發行人所有可轉讓證券與貨幣市場工具之總價值，將超過其資產淨值 40% 者。此項限制，並不適用於受審慎監督之金融機構之存款及店頭衍生性金融商品。

2.4 基金得累計投資於同一企業集團發行之可轉讓證券和貨幣市場工具達其淨資產 20%。

2.5 可轉讓證券和貨幣市場工具若係由一會員國、其地方政府、其他非會員國、或由一個或多個會員國擔任會員之公共國際組織所發行或保證者，則前述 2.3 (A) 款規定之 10% 的限制，可放寬至 35% 之上限。

2.6 根據歐洲議會之指令 (EU) 2019/2162 第三條第一點，以及議會在 2019 年 11 月 27 日針對擔保債券的發行以及公開監督和修改之指令 2009/65/EC 與 2014/59/EU，其中合格債務證券若係由註冊辦事處位於會員國之信用機構所發行，且此等機構依法為保障此類債務證券持有人之目的，而受特定控管者，前述 2.3 (A) 款規定之 10% 的限制，可放寬至 25% 之上限。為此，「合格債務證券」為在 2022 年 7 月 8 日之前所發行的收益依法投資於所提供報酬可償債直至債務證券到期日之資產且將於發行人違約之情況下優先支付本金和利息之證券。若相關基金投資同一發行人所發行之債務證券，超過基金淨資產之 5%，該等投資之總額不得超過該基金淨資產的 80%。

2.7 上述 2.5 及 2.6 所列之證券不包含於上述 2.3 (B) 規定中計算最高限額 40% 之範圍內。

2.8 儘管有上述限額規定，各基金得依據風險分散原則為投資，最多可將其淨資產之 100% 投資於由歐盟會員國、其地方政府、其他 OECD 會員國（如美國）、特定非 OECD 會員國之國家（目前為巴西、印尼、印度、俄羅斯和南非）、或有一個或多個歐盟會員國為其會員之公共國際組織（統稱為「公開發行人」）所發行或保證之可轉讓證券與貨幣市場工具，惟(i) 此類證券至少應由六種不同單位發行之證券所構成，以及(ii)任一單位發行之證券所佔比例，不得超過基金淨資產之 30%。

2.9 投資於由公開發行人所發行或擔保之可轉讓證券或貨幣市場工具等衍生性金融商品時，不須遵守前段之多元化要求，然任何對相關可轉讓證券或貨幣市場工具之直接投資，以及任何對此等可轉讓證券或貨幣市場工具之衍生性金融商品之投資，其合計數不得超過相關基金淨資產之 100%。

2.10 在不違反 2.22 和 2.23 所訂限制下，當基金投資政策的目標在於複製 CSSF 所承認的特定股票或債務證券指數之成分時，上述 2.3 所定對於投資於相同發行人之股票及/或債券之限制，於下列基礎下，得提高至 20%：

(A) 指數之成分充分分散；

(B) 指數足以代表該市場適當的指標；且

(C) 其是以適當的方式公布。

於特殊市場情況下，特別是在可證明是可轉讓證券或貨幣市場工具占高度優勢的受監管市場，該限額由 20% 提高為 35%，但僅允許對單一發行人投資至此 35% 限額。

銀行存款

2.11 基金不得於同一機構存放超過其淨資產 20% 之款項。

衍生性金融商品

2.12 當交易對手為前述 1.6 中定義之信用機構時，在店頭衍生性金融商品與有效投資組合管理技術（如下所述）交易中，暴露於交易對手之風險不得超過基金淨資產的 10%，或其他情況下不得超過其淨資產之 5%。

2.13 只有在標的資產合計不超過本章節所定之投資限制時，始得投資衍生性金融商品。當基金投資指數型衍生性金融商品時，不必與上述限制合計。

2.14 當一可轉讓證券或貨幣市場工具內嵌一衍生性金融商品，則於遵循前述 1.7 所定要求以及公開說明書規定之風險暴露與資訊之要求時，須將衍生性金融商品列入考量。

店頭衍生性金融商品產生的任何收益或損失將歸屬於基金，在符合相關交易對手或經紀商同意之條件下，在法律許可之範圍內得扣除隸屬於管理公司與/或投資管理機構之交易對手或經紀商、任何保管機構或第三方證券借貸代理人之稅項與其任何費用、成本與支出。如基金使用店頭衍生性金融商品，得包含總報酬交換。

2.15 依據基金之投資目標和投資政策，並依據本「投資限制及權限」章節之規定，總報酬交換得由基金在總報酬之基礎上為利用，以取得任何基金所獲准取得之資產，包括可轉讓證券、經核准貨幣市場工具、集體投資計劃單位、衍生性金融商品、金融指數、匯率與貨幣。

開放式基金之單位

2.16 除基金之基金補充文件有其他規定外，基金不得投資於其他 UCITS 或其他 UCIs 之單位合計超過其淨資產之 10%。如基金被授權投資於其他 UCITS 或其他 UCIs 之單位合計可超過其淨資產之 10%，對於單一其他 UCITS 或單一其他 UCI 之投資，不得超過相關基金淨資產之 20%。為符合本投資限制，一 UCITS 之各投資組合或其他符合 UCI 法律第 181 條所定義具多個投資組合之 UCIs，均被視為獨立發行人，以確保各投資組合對第三方之責任分離原則之落實。

2.17 當基金投資由同一管理公司管理或由其他與管理公司受共同管理或控制之公司所管理或因直接或間接實質持有而受其管理之其他 UCITS 及/或其他 UCIs 之單位，則管理公司或其他公司不應就基金投資該其他 UCITS 及/或其他 UCIs 之單位收取申購或贖回之費用。

2.18 如標的集體投資計畫亦由管理公司（或其從屬公司）所管理時，管理公司將少收年度管理費及行政費用，其減少金額等同於就標的集體投資計畫已收取之費用，且無申購或贖回費用將於集體投資計畫之層級適用，以避免重複收費。本公司於其年報中將載明對本基金本身或對 UCITS 及/或其所投資之其他 UCIs 所收取之管理費的最高比率。

2.19 儘管有上述限制，基金（即「**投資基金**」）得申購與/或持有由一或多檔其他基金（分別為「**被投資基金**」）所發行之單位，但須符合下列條件：

(A) 該被投資基金並未交互投資或持有投資基金之單位；且

(B) 依據其投資政策，被投資基金投資於其他 UCITS 或 UCIs 之單位，不得逾其資產之 10%；且

(C) 投資基金投資於單一被投資基金之單位，不得逾其資產淨值之 20%；且

(D) 投資基金持有被投資基金之單位之期間暫停行使該單位之表決權（若有），不影響帳目與定期報告之適當程序；且

(E) 此等單位由投資基金持有之期間，於確認是否符合 UCI 法律規定之淨資產最低門檻時，其價值均不計入本公司資產淨值之計算；且

(F) 投資基金與被投資基金間，不重複收取管理、申購或贖回費用。

主基金-連結基金架構

2.20 各基金皆得作為主基金之連結基金（下稱「**連結基金**」）。此種情況下，相關基金應至少以其資產之 85% 投資於其他 UCITS 或此等 UCITS 之子基金（下稱「**主基金**」）之股份/單位，此等基金不得為連結基金或持有連結基金之單位/股份。連結基金不得為下列一項或多項之投資超過其資產之 15%：

(A) UCI 法律第 41 條第 2 項規定之附屬流動資產；

(B) UCI 法律第 41 條第 1 項第 g) 點以及第 42 條第 2 與第 3 項所規定，僅得用於避險目的之衍生性金融商品；

(C) 為本公司直接業務經營所必要之動產或不動產。

2.21 當基金投資由同一管理公司管理或由其他與管理公司受共同管理或控制之公司所管理或因直接或間接實質持有而受其管理之主基金之單位/股份時，則管理公司或其他公司不應就基金投資主基金之單位/股份收取申購或贖回費用。

2.22 投資主基金之連結基金，應於本公開說明書之相關基金部分揭露可能對連結基金本身或對其預期投資之主基金收取之管理費用上限。於年度報告中，本公司應說明對基金本身以及對主基金收取之管理費用最高比例。主基金不得就連結基金對其股份/單位所為投資或撤資收取申購或贖回之費用。

合併限制

2.23 儘管有前述 2.3、2.10 和 2.11 中個別限制之規定，如將導致其投資於單一機構超過其資產之 20%，則基金仍不得：

(A) 投資於該機構發行之可轉讓證券或貨幣市場工具；

(B) 存款於該機構；與/或

(C) 與該機構進行店頭衍生性金融商品與證券融資交易及有效投資組合管理技術。

2.24 上述 2.3、2.5、2.6、2.10、2.11 和 2.20 中之限制不得合併，因此依 2.3、2.5、2.6、2.10、2.11 和 2.20 規定，投資於同一機構發行之可轉讓證券或貨幣市場工具、存款或衍生性金融商品不得超過任一基金淨資產之 35%。

2.25 本公司不得取得足以使本公司對該等發行人為法律或管理上之控制或對其管理具重大影響之表決權股份。

2.26 本公司得取得不超過(i)同一發行人已發行無表決權股份之 10%；(ii)同一發行人已發行債務證券之 10%；(iii) 任何單一發行人之貨幣市場工具之 10%；或(iv)相同 UCITS 或其他 UCI 之已發行股份或單位之 25%。

如於收購時，債務證券或貨幣市場工具之總額或已發行工具之淨額無法計算，則(ii)至(iv)所為限制得忽略之。

2.27 上述 2.22 和 2.23 規定之限制不適用於：

- (A) 會員國或其地方當局所發行或保證之可轉讓證券與貨幣市場工具；
- (B) 任何非會員國所發行或保證之可轉讓證券與貨幣市場工具；
- (C) 一或多個會員國為其會員之公共國際組織所發行之可轉讓證券與貨幣市場工具；
- (D) 依據非會員國法律設立或組織之公司之股份，但限於(i)該公司主要將其資產投資於註冊辦事處位於該國之發行人之證券；(ii)根據該國法律，相關基金持有該公司股權係購買該國發行人所發行證券之唯一可行方式；(iii)該公司於其投資政策中，遵守於 2.3、2.7、2.10、2.11 和 2.14 至 2.23 規定之限制；或
- (E) 股東以其名義請求贖回股份時，由一或多檔基金所持有之子公司（於其設立地之國內經營管理、諮詢或行銷之業務）之股份。

3. 全球曝險

關於衍生性金融商品之全球曝險得透過承諾法或風險值法計算之。

3.1. 承諾法

除相關基金補充文件另有規定外，各基金應使用承諾法以計算其衍生性金融商品之全球曝險，並將確保此等全球曝險不超過 2011 年 5 月 30 日 CSSF 通函 11/512 規定之限制，此等限制隨時可能修訂或重申。

3.2. 風險值法

如相關基金補充文件聲明該基金應採用風險值法（「**VaR**」）模型以來計算其衍生性金融商品之全球曝險，並將確保此等全球曝險不超過 2011 年 5 月 30 日 CSSF 通函 11/512 規定之限制，此等限制隨時可能修訂或重申。

風險值法為衡量基金因市場風險而致潛在損失之一方式，且係以 99%信賴區間，於一個月之時間範圍內為衡量，顯示正常市況下最大潛在損失。為計算全球曝險之持有期間為一個月。

基金採用風險值法者，依據有關風險衡量及 UCITS 之全球曝險與交易對手風險計算之 CESR 指導方針（CESR / 10-788）之要求，應於本公開說明書之相關基金補充文件揭露其預期平均槓桿程度。為免疑義，用於有效投資組合管理之衍生性金融商品（包括避險部位）也將構成上述槓桿計算之一部。

針對各基金揭露之預期平均槓桿程度僅為參考而非法定上限。基金實際之槓桿程度可能顯著超越預期平均程度，但使用衍生性金融商品將與基金之投資目標與風險概況保持一致，並符合風險值法之限制。股東應注意到，在相關的歐洲與/或盧森堡法律與/或規定之規範內，基金之市場風險將採用風險值法進行監控，且風險值法將於經查核之年度報告中公佈。

股東應注意到採用這種方法可能導致高槓桿程度，這樣的結果未必反映投資組合之實際風險程度。

槓桿係用以衡量衍生性金融商品之總用量，並被加計為使用衍生性金融商品之名目曝險之總和，且並不反映基金之沖抵（netting）或避險安排。部分此等工具可能實際上降低基金的風險，因此，基金補充文件中所顯示之比例未必表示相關基金風險程度增加。此外，當基金於短時間內取代或「滾動」其貨幣部位時，基金補充文件中所揭露之比例將提高，且此等情形未必表示基金之任何風險程度增加。

風險評估方法有兩種，分別為絕對及相對評估法，以下表格包含詳細說明

風險評估方法	詳細說明
絕對風險值 (絕對評估法)	基金欲評估在正常市場條件下，一個月內（20 個交易日）可能承受的潛在損失。條件為基金的最大損失有 99% 的機率不超過 20% 之總淨資產損失。
相對風險值 (相對評估法)	基金的相對風險值以績效條件或參考組合的倍數表示，在和上文相同的條件之下，損失不得超過相關績效條件或參考組合之兩倍。

基金投資於指數型衍生性金融商品時，此等投資不必計入「投資限制及權限」一節規定之限額。

當一可轉讓證券或貨幣市場工具內嵌衍生性商品，在遵循本章節之限制時須將後者納入考量。

4. 額外投資限制

- 4.1. 基金不得收購商品、貴重金屬或表彰貴重金屬之憑證，但以外幣、金融工具、指數或可轉讓證券以及期貨、遠期契約、選擇權與交換為交易，不被視為此等限制中之商品交易。
- 4.2. 基金不得投資於房地產或與其相關之任何選擇權、權利或利益，但得投資於以房地產或其相關利益所擔保或由投資於房地產或其相關利益之公司所發行之證券。
- 4.3. 依據相關法律與規定，尤其是關於 UCI 法律中某些定義並實施 UCITS 指令以及 ESMA 指導方針 2014/937 之 2008 年 2 月 8 日盧森堡大公國法，基金之投資政策得複製證券或債券之指數成分。
- 4.4. 基金不得為第三方提供貸款或擔保，但此等限制不得禁止任一基金投資上述 1.5、1.7 和 1.8 所述之未結清可轉讓證券、貨幣市場工具或其他金融工具，亦不得禁止其依據相關法律或規定為證券借貸（下文「證券借貸」將進一步說明）。
- 4.5. 本公司不得進行上述 1.5、1.7 和 1.8 所列可轉讓證券、貨幣市場工具或其他金融工具之無擔保買賣。
- 4.6. 行使基金投資組合中證券附帶之認購權時，上述最高限額可例外不適用於該等基金。

在確保遵循風險分散原則的前提下，新授權的基金可自發行日起算六個月內減免 2010 年法律第 43、44、45 和 46 條(Articles 43, 44, 45 and 46 of the 2010 Law)規定之適用。

自發行日起算六個月內，各基金亦可在該基金收到預期大額認購後第15個營業日以前，暫時偏離其投資政策中規定之投資限制。該預期大額認購需超過基金淨資產總額50%。

如基金因其無法控制之事由或因行使認購權致逾越此等最高限額，該基金須適當考慮股東的利益，而以改善此等情形作為其銷售交易中之優先目標。

4.7. 關於集束彈藥之投資限制

奧斯陸集束彈藥公約（Oslo Convention on Cluster Munitions）於2009年6月4日納入盧森堡法規並於2010年8月1日生效。如獨立第三方供應商確認證券之發行公司係參與製造、生產或供給集束彈藥之公司，則管理公司將採取一定之措施以確保本公司不會投資此等證券。有關為遵守上述盧森堡法律所採政策之進一步細節，得向管理公司索取。

4.8. 適用於燃料煤的投資限制

從2022年4月27日（下稱「生效日」）起，所有基金適用M&G投資之燃料煤投資政策（下稱「碳政策」），且已公告於M&G網站。

從2022年10月31日和2024年10月31日開始，本基金將受到更多的投資限制，詳見下文。

投資管理機構將持續與從事燃料煤活動（燃料煤的開採或發電，以及相關行業）的公司的接觸，詳見碳政策的進一步解釋。

此參與將包括鼓勵公司，以採取投資管理機構認為可信的計畫，在下列時間內不再使用燃料煤（"可信的轉型計畫"）。

- 在2030年，對於在經濟合作暨發展組織（OECD）和/或歐盟（EU）成員國境內或進行燃料煤活動的公司；以及
- 在2040年，對於在其他國家境內進行燃料煤活動的公司。

在2022年10月31日前（對OECD和/或EU成員國境內或進行燃料煤活動的公司）或2024年10月31日前（對於在其他國家境內或進行燃料煤活動的公司）尚未採用可信的過渡計畫的公司，將被排除在本基金的直接投資之外（"被排除公司"）。因此，從2022年10月31日和2024年10月31日起，本基金將受到額外的投資限制，以落實上述的排除條款。這些投資限制包括碳政策中定義的數據，這些數據將使投資管理機構能夠評估一家公司是否充分參與能源轉型，以保持相關基金的合格投資。

本基金將出售的被排除公司可能受限於流動性限制，或在艱困市場環境下流動性降低，其可能導致投資管理機構需要在不利環境和/或不利市場條件下出售被排除公司的投資。這可能對基金價值產生不利影響，和/或導致本基金在2022年10月31日（對於在OECD和/或歐盟成員國境內的公司，或在這些國家進行燃料煤活動的公司）或2024年10月31日（對於在其他國家境內的公司，或在這些國家進行燃料煤活動的公司）之後仍然持有少量的被排除公司。然而若有需要，基金經理人將視情況在這些日期後於實際可行情況下，儘快出售對被排除公司的投資。

雖然 M&G 因參與集中協調而使其影響力大增，但各基金的經理人有決定權決定是否及何時在額外投資限制生效之前開始出售各基金持股，因此各基金得從生效日起開始出售被排除公司。

由董事會決定的上述碳政策投資限制的任何生效日期變化，都將被告知於股東。

4.9. 於本公司股份之發行或銷售有遵循當地國家法律與規定之必要下，董事有權決定額外之投資限制。

5. 衍生性金融商品之類型

如相關基金補充文件另有載明，基金得使用衍生性金融商品以達成基金投資目標，以及有效管理投資組合。

衍生性金融商品如下：

- 即期與遠期合約，包括遠期外匯合約，此等合約係即時或於未來期日以特定價格買入或賣出貨幣、股票、債券或利率之客製化協議；
- 場內交易期貨係與未來期日於受監管市場上標的工具（例如貨幣、股票、債券、利率及指數）相關之之標準協議；
- 交換合約係涉及與另一方交換投資現金流之契約，包括固定或指數連結利率交換、股票、債券、貨幣或其他資產交換合約；
- 信用違約交換係交易雙方間交換信用風險之協議。例如，此等工具得用於保護基金免於遭受公司、集團企業或政府潛在之違約風險。此等交換合約可以是「單一標的」，如其信用風險係與單一特定發行人之單一債券相關，或者是「指數」，如其標的資產為不同發行人的債券指數；
- 總報酬交換係一方當事人（總報酬支付者）轉讓標的資產之總體經濟績效予他方當事人（總報酬收受者）之協議，此等標的資產可能為股票、債券或指數。總報酬收受者必須就標的資產減少之價值以及其他可能之現金流支付予總報酬支付者。總體經濟績效包括利息與費用之收入、市場波動所生之利得或損失、以及信貸損失。基金得使用總報酬交換以投資基金不欲自行買進與持有、或欲以其他方式獲利或避損之資產（或其他標的資產）。利用總報酬交換之條件將於以下第 6.4 節「證券融資交易與再利用之透明度」中說明。
- 利率交換提供雙方從浮動到固定利率之利率風險交換，或反之亦然。因此，各方得間接投資固定或浮動之資本市場；
- 貨幣交換係為對沖特定貨幣之風險而將一種貨幣本金與利息兌換為另一種貨幣本金與利息之雙邊金融協議；
- 信用連結票據係結構型票據，用以取得基金原本無法取得之當地或外部資產。信用連結票據係由高度評級之金融機構所發行；

- － 選擇權提供於約定之價格與時間買入或賣出資產之權利，此等買賣標的得為股票、債券、債券期貨、貨幣或指數；

6. 有效投資組合管理技術與工具

6.1. 通則

如相關基金補充文件明定，基金為避險或其他風險管理等有效投資組合管理目的，得運用特定技術與工具，包括與可轉讓證券、貨幣市場工具及其他金融流動性資產相關之證券融資交易。

當此等操作涉及使用衍生性金融商品時，此等條件與限制應符合上述規定。基金為此等操作不得偏離相關基金補充文件規定之投資目標。

6.2 附買回協議與附賣回協議

基金得進行附買回協議與附賣回協議之交易，其中包括買進與賣出證券，賣方有義務依據雙方約定之價格與期限自收購方買回證券。

依據附買回協議，一方當事人於交易之初以一定價格賣出證券（如股票或債券）給另一方，同時同意於未來期日或依要求以不同價格自原始買方買回此等資產。「附賣回協議」即係以買方角度描述相同之契約。

基金得作為附買回協議之買方或賣方。得訂定附買回協議之資產類型為證券（債券與股票均屬之）。

基金得作為附買回與附賣回交易，或附買回與附賣回協議之一系列持續交易中之買方或賣方，但應遵循下列規定：

6.2.1.1 除交易對手依法為合格之交易對手並得到 CSSF 之許可外，基金不得利用附買回協議或附賣回協議買進或賣出證券。

6.2.1.2 在買回其股份之考量下，基金須確保在進行此等附買回與附賣回協議之交易下，基金仍得隨時履行其買回義務，且依其投資政策，此等交易並不會危害到本公司資產之管理。

6.2.1.3 基金訂定附買回或附賣回協議時，除非該協議之期限未超過 7 日外，基金須確保其得隨時終止此等協議，或分別收回依據附買回或附賣回協議所給付之任何證券或全部現金。

本公司目前並未從事附買回協議或附賣回交易，且須經本公開說明書修改後方得為之。

6.3 證券借貸

本公司從事證券借貸交易，得直接或透過認可之結算機構或專門從事此類交易之金融機構之標準化借券系統，並遵守由 CSSF 認定與歐盟法律規定相等之審慎監督規則，以換取證券借貸費。

證券借貸交易與附買回契約相似。出借人將資產所有權移轉予第三方（借券人），第三方向出借人支付貸用資產之使用費，並同意於交易結束時歸還證券。即使契約當事人被稱為出借人與借券人，資產之實際所有權已被轉讓。基金得於股票借券交易中作為出借人或借券人。得進行證券借貸交易之資產類型為證券（債券與股票均屬之）。

基金訂定證券借貸協議須確保其得隨時終止協議或收回已借出之證券。

本公司目前並未從事證券借貸交易，且須經本公開說明書修改後方得為之。

6.4 證券融資交易與再利用之透明度

總報酬交換及其使用之說明

藉由多元投資以降低投資風險時，為實現所投入資本之最佳回報，本公司僅得為總報酬交換。依據歐洲議會與理事會於2015年11月25日頒布關於證券融資交易與再利用之透明度之Regulation (EU) 2015/2365（「SFTR」），本公開說明書包含總報酬交換之一般性說明，而更進一步之細節得參考各基金補充文件。目前並無基金運用SFTR所定義之證券融資交易（即附買回交易、證券或商品借貸、買後售回或售後買回交易及保證金借貸交易），於基金進行該等交易前將先修訂本公開說明書。

基金於投資目的內得進行總報酬交換以達到投資目標，以及有效的投資組合管理與對沖，詳情請見「基金補充文件」一節中的各基金描述。當投資管理機構認為總報酬交換是達成相關基金的預期經濟信貸風險的適當工具時，通常總報酬交換會被使用。總報酬交換通常只是臨時使用，因為總報酬交換的使用取決於各種因素，如市場機會和條件、買賣價差，以及與其他工具相比的價格和流動性。

總報酬交換為交易對手間之協議，將資產之總報酬（包含資本利得加上資產所生之任何收益）進行交換，換取基於固定或浮動利率的支付款回報。總報酬交換為無資金交易，則固定或浮動利率將產生額外利差，以反映利用交易對手之資產負債表提供資金之成本。這模擬了100%融資工具之買賣。

總報酬交換不會被結算。

使用總報酬交換所產生的100%收入將會被投入相關基金。

使用總報酬交換之基金

- M&G 收益優化基金
- M&G 短期優質債券基金
- M&G 新興市場債券基金

以上三檔基金得從事債券指數、槓桿貸款指數及一籃子債券之總報酬交換。

一般來說，此將被用以避險或增加對信用市場之曝險。為此目的使用總報酬交換，主要係為提供較使用不同工具（例如信用違約交換指數部位）更為精準之避險，或更接近所需之信用市場曝險。

例如，本基金得以支付一固定或浮動利率之方式增加信用曝險，以獲取槓桿貸款指數之總報酬。

其使用概況如下：

總報酬交換	標的資產	說明
債券指數	債券指數（個別債券）	減少（規避）信用市場風險
		增加信用市場風險
槓桿貸款指數 （多樣化，不詳列）	槓桿貸款指數 （個別貸款）	減少（規避）信用市場風險
		增加信用市場風險
獨立債券或政府債券	個別債券	減少（規避）對特定一籃子債券之信用曝險
		增加對特定一籃子債券之信用曝險

（略）

M&G 入息基金

本基金得從事股票指數、股票產業或一籃子股票、一籃子債券、債券指數、債券 ETFs 以及個別政府債券之總報酬交換。

一般來說，此將被用以取得一些標的資產之曝險（多頭或空頭），一般為客製化之一籃子股票、客製化之一籃子債券、股票產業、股票指數及債券指數，與股票和債券 ETF（如區域）。使用總報酬交換之主要目的係在無其他可行工具（如期貨或 ETF）下，用以促進投資（多頭或空頭）。其使用概況如下：

總報酬交換	標的資產	說明
一籃子股票	個股	欲賣出一籃子個股
		一大籃子個股之多頭部位
股票產業	股票產業（個股）	產業部位中一定部位為大型個股
		股票產業之空頭部位
股票指數	股票指數（個股）	無可得投資之期貨時，股票指數之多頭/空頭部位
股票 ETF	股票 ETF（個股）	股票 ETF 的長倉/短倉，期貨不被允許
一籃子債券	個別債券	賣出一籃子個別債券
個別政府債券	個別債券	無流動性期貨政府債券之多頭/空頭部位
債券指數	債券指數（個別債券）	減少（避險）信用市場風險
		增加市場風險

債券 ETF	債券 ETF (個別債券)	債券 ETF 的長倉/短倉，期貨不被允許
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(略) 各基金允許和預期使用總報酬交換得最高限額

下列基金之資產得依據下表所載比例進行總報酬交換：

- M&G 入息基金
- M&G 收益優化基金
- M&G 短期優質債券基金
- M&G 新興市場債券基金

	資產淨值之最高比例	資產淨值之預期比例
總報酬交換	50%	25%

(略)

交易對手

交易對手必須在服務本公司之前，經由管理公司或投資管理機構許可。

被批准之交易對手必須：

- 完成預計活動之盡職調查，包含遵循核准新交易對手的程序，分析內容如公司管理、流動性、獲利能力、公司架構、資本適足及資產品質、在相關司法管轄區的法規架構；以及
- 向管理公司或投資管理機構取得信任

並沒有交易對手選擇程序的事前規則，以下因素通常會被納入考量：

- 遵循相關盧森堡金融監督處指令 (CSSF)；
- 遵循被 CSSF 認為等同於歐盟審慎規則的審慎規則
- 一般至少被評級為 BBB-；以及
- 一般為信用機構或投資機構所在的歐盟會員國

沒有基金衍生性商品的交易對手可充當基金投資管理機構，或對基金投資、交易、衍生性金融商品之標的資產的組成有任何裁量權。

因總報酬交換之名目價值於一開始並不與交易對手交換，故就交易對手而言，總報酬交換係無資金交易。

可接受擔保品

可接受擔保品	資產類型	發行人	到期日	流動性 ²	擔保品多元化	關聯性政策
政府債券	債券	歐洲經濟區國家、美國或英國之國家政府	0-20+ 年	得適用0%-5%之扣減率	歐洲經濟區國家、美國或英國之國家政府	不適用
超國家債券	債券	國際組織，通常為跨國或準政府組織，其目的為促進經濟發展	0-20+ 年	得適用0%-5%之扣減率	國際組織，通常為跨國或準政府組織，其目的為促進經濟發展	不適用
公司債	債券	經認可評等機構評為投資等級以上之公司(即由標準普爾或惠譽評為BBB-以上；或由穆迪評為Baa3以上)	0-20 年	得適用3%-15%之扣減率	經認可評等機構評為投資等級以上之公司(即由標準普爾或惠譽評為BBB-以上；或由穆迪評為Baa3以上)	不接受與交易對手或管理公司或投資管理機構相同發行人所發行之債券，或相關證券。
現金	現金	英鎊、歐元或美元	不適用	一般而言最具流動性，且通常不適用扣減率	英鎊、歐元或美元	不適用

擔保品之評價與再利用

作為此等交易之一部分，本公司將收受形式與性質上具高品質之擔保品，詳見以下第6.6節之「店頭衍生性金融商品及有效投資組合管理技術（含證券融資交易）之擔保品政策」。

擔保品不得再利用。

風險管理

資訊詳見前述「交換合約」以及「擔保品」章節。

保管

² 流動性為影響標的發行人和當時市場狀況之因素之一。額外之扣減率係用以解決流動性、價格波動以及發行人信用品質等問題。

總報酬交換之資產以及所收到之擔保品，由存託機構或第三方保管機構保管，此等第三方保管機構已與存託機構訂定協議以確保其保管義務。

總報酬交換產生之報酬

如總報酬交換產生收入，應於扣除任何成本與費用後歸還予本公司。

6.5 有效投資組合管理技術（含證券融資交易）所生之費用與成本

各基金可能會產生與有效投資組合管理技術（包括證券融資交易）相關之成本和費用。尤其是，基金依代理人和其他中介機構之功能與其承擔之風險，得依法向此等人員支付費用，此等人員可能隸屬於存託機構或投資管理機構。此等費用數額可能為固定或可變。與各基金產生之直接與間接營運成本與費用、此等成本與費用所支付機構以及其與存託機構或投資管理機構關係之相關資訊，將公佈於年度報告。所有由有效投資組合管理技術（包括證券融資交易）產生之收入，扣除直接與間接之營運成本與費用，將退還予基金。

6.6 店頭衍生性金融商品及有效投資組合管理技術（含證券融資交易）之擔保品政策

暴露於店頭衍生性金融商品與/或有效投資組合管理技術（含證券融資交易）之交易對手之風險，將考慮到交易對手所提供之擔保品，該等擔保品係如本章節所摘述符合擔保品資格之資產。本公司就有效投資組合管理技術（包括證券融資交易）代表基金收取之所有資產，依本章節視為擔保品。

本公司代表基金從事店頭衍生性金融商品與/或有效投資組合管理技術（含證券融資交易）交易時，基金收取之所有擔保品，必須符合 ESMA 指導方針 2014/937 中關於流動性、評價、發行人之信用品質、關聯性、與擔保品管理相關之風險以及可執行性等標準。

基金暴露於任何特定發行人之最高風險（包括所收到之一籃子擔保品）限於基金資產淨值之 20%。再投資之現金擔保品將依據此等要求分散投資。

若符合 ESMA 指導方針 2014/937 第 43 條所列標準，許可之擔保品類型包括現金、政府債券和公司債。

就從事店頭衍生性金融商品交易與/或有效投資組合管理技術之任何基金而言，此等基金之投資者（包括證券融資交易）得隨時從管理公司請求免費取得詳細說明擔保品組成情形之報告。

本公司將參考本公開說明書所載之交易對手風險限額，並考慮交易之性質與特色、交易對手之信用和身分以及市場現況，以決定衍生性金融商品與有效投資組合管理技術（包括證券融資交易）之擔保品標準。

擔保品將依據可取得之市場價格，並考慮本公司依據每一資產類別之扣減政策所決定之折扣而進行每日評價。一般來說，證券擔保品將每日以買價評價，因如基金於交易對手違約後將出售此等證券，則此為可取得之價格。然而，如為相關交易之市場慣例，則可能會採用市場中價。在符合任何最低移轉金額與/或無擔保門檻金額（低於此等數額不提供擔保品）之前提下，如有需要，價格變動保證金通常依據基金與其交易對手間之任何淨曝險每日移轉。

如生所有權移轉，存託機構（或次保管機構）將代表本公司持有所收到之擔保品。其他類型之擔保品安排，擔保品可以由受審慎監督且與擔保品提供者無關聯之第三方保管機構持有。

收到之非現金擔保品不能出售、再投資或質押。收到之現金擔保品只能：

- 存放於合格信用機構；
- 投資於高品質政府債券；
- 用於與受審慎監督信用機構間之附賣回協議交易，且本公司得隨時收回全額現金；或
- 投資於合格之短期貨幣市場基金。

基金就其收到之現金擔保品進行再投資可能產生損失，蓋就此等現金擔保品所為投資之價值可能減少。現金擔保品所為投資之價值下降，將減少基金於交易結束時得返還交易對手之擔保品數額。則基金將被要求支付最初收到之擔保品數額與得返還交易對手之數額間之差額，從而導致基金之損失。

上述規定之適用須遵守 ESMA 隨時發布以修訂與/或補充 ESMA 指導方針 2014/937 之任何其他規定，與/或 CSSF 隨時發布之任何其他相關規定。

風險管理程序

根據 UCI 法律和 CSSF 第 11/512 號通知，管理公司必須採用風險管理流程，使其能夠隨時監控和衡量基金投資組合中部位的風險及其對投資組合金整體風險狀況的貢獻。

因此，管理公司已經實施了風險管理流程，該流程將針對公司和每個基金執行。風險管理流程使管理公司能夠評估各基金對市場、流動性和交易對手風險以及所有其他風險（包括運營風險）的風險，這對每個基金都是重要的。管理公司的董事將至少每年審查一次此類風險管理流程。

基金採用了風險管理程序，可以隨時監控和衡量部位的風險及其對每個基金整體風險狀況的貢獻。此外，該基金採用了一種程序來對場外衍生性商品的價值進行準確和獨立的評估，並根據盧森堡法律定期向 CSSF 傳達這一訊息。

應投資者要求，管理公司將提供有關風險管理流程的補充資訊。

流動性風險管理程序

管理投資已設立、實施並持續應用一流動性風險管理程序，並使謹慎嚴格的管理流程就定位。此流程使管理公司得以監控基金的流動性風險並確保其遵循內部流動性門檻。

採用質化及量化標準來監控投資組合以及證券，以確保投資組合適當的具有流動性，且基金必須符合股東贖回要求及在多樣市場狀況下的其他債務。另外，股東集中度亦被定期查核以評估對基金債務的潛在影響。基金的流動性風險被個別評估。

管理公司的流動性管理流程將基金的投資策略、交易頻率、標的資產的流動性（及其估值）與股東納入考量。

流動性風險於「風險因素」章節有更詳細的說明。

管理公司也利用以下管理工具來管理流動性風險：

- 在「延遲決定淨資產價值」章節中所述的，在特定情況下延遲贖回股份
- 在特定估值日及贖回超過 10% 基金淨資產價值的下個估值日期間之延遲贖回，請見於子章節「遞延贖回」及「贖回」
- 在單一裁決下，接受股東的贖回要求並以處分償付（請見「贖回」章節的子章節「實物贖回」）
- 擺動定價或稀釋調整之應用，細節請見於「擺動定價與稀釋稅」章節。

希望能評估標的資產的流動性風險之股東，應留意基金的完整投資組合顯示於最新的年報或半年報中，敘述於其中的「其他一般投資人資訊」章節。

股份級別詳情

管理公司得於各基金內成立及發行具有諸多特性及投資人合格要求之股份級別。

截至本公開說明書發布之日，投資者可投資於以下股份類別。以下詳述之股票類別的供應情況可能因基金而異。

每個基金可發行連續的股份級別（例如針對不同發行國家或針對不同分銷商），編號為 2、3 等，並分別以股份類別字母和相應的系列號命名。

關於各基金目前發行之股份級別資訊，請參考 M&G 網站。股東亦得於本公司註冊辦公室、當地銷售辦事處、管理公司、全球銷售機構或註冊及過戶代理人請求此等資訊。

各股份級別可經國際證券辨識碼（ISIN）辨識。

董事會和/或管理公司可以於任意時間決定在基金中發行更多的股份類別。

投資者在申購股票之前，應閱讀「風險因素」一節中的「股份級別特定風險」部分。

股份級別定義

股份級別	合格投資人	最低申購金額及持有金額		
		首次申購	後續申購	持有金額
A 股份級別	得由符合資格以及最低投資標準之銷售機構、平台以及其他中介機構取得。	1,000 歐元	75 歐元	1,000 歐元
A2 股份級別	經管理公司事先同意，可在某些限制情況下使用： <ul style="list-style-type: none"> 在有些國家發行；以及 通過某些分銷商。 	500,000 歐元	75 歐元	1,000 歐元
B 股份級別	只能透過管理公司或管理公司之關係企業所認可之經銷管道申購。	1,000 歐元	75 歐元	1,000 歐元
C 股份級別	得由下列投資人取得： <ul style="list-style-type: none"> 符合 MiFID 第 30 條定義且係為自己進行投資之合格交易對手。 其他集體投資計畫。 銷售機構、平台以及其他中介機構，其經營(1)與客戶具有費用約定以提供顧問或全權委託投資組合管理服務，或(2) 與 	500,000 歐元	50,000 歐元	500,000 歐元

股份級別	合格投資人	最低申購金額及持有金額		
		首次申購	後續申購	持有金額
	<p>客戶進行其他個人收費安排，並且未從管理公司取得任何費用回扣。此等客戶並不適用最低申購金額之限制。</p> <ul style="list-style-type: none"> 管理公司認定為從屬公司之公司以及與管理公司達成協議之其他投資人。 			
CI 股份級別	得由機構投資人取得。	500,000 歐元	50,000 歐元	500,000 歐元
E 股份級別	<p>得由管理公司認可之下列特定投資人取得：</p> <ul style="list-style-type: none"> 須於基金發行日起之一定期間內申購；且 且須符合最低投資標準。 <p>此等股份將僅於限定期間內募集，並得適用較低之年度管理費。</p> <p>募集期間經後停止申購。任何取得此股份級別之投資人於募集期間經過後，不得繼續投資此等股份級別。</p>	20,000,000 歐元	50,000 歐元	20,000,000 歐元
EI 股份級別	<p>得由以下機構投資人取得：</p> <ul style="list-style-type: none"> 經管理公司同意；且 須於基金發行日起之一定期間內申購；且 符合最低投資標準 <p>此等股份將僅於限定期間內募集，並得適用較低之年度管理費。</p> <p>募集期間經後停止申購。任何取得此股份級別之投資人於募集期間經過後，不得繼續投資此等股份級別。</p>	20,000,000 歐元	50,000 歐元	20,000,000 歐元
G 股份級別	須有管理公司事前書面同意方得取得。	200,000,000 歐元	50,000 歐元	200,000,000 歐元

股份級別	合格投資人	最低申購金額及持有金額		
		首次申購	後續申購	持有金額
	如係透過中介股東持有 G 股份級別股份，則中介股東之客戶須與管理公司簽訂書面協議。			
GI 股份級別	得由機構投資人取得，惟機構投資人須事先與管理公司簽訂書面協議。	200,000,000 歐元	50,000 歐元	200,000,000 歐元
J 股份級別	<p>得由下列投資人取得：</p> <ul style="list-style-type: none"> 符合 MiFID 第 30 條定義且係為自己進行投資之合格交易對手。 其他集體投資計畫。 銷售機構或其他中介機構，其經營(1)與客戶具有費用約定以提供顧問或全權委託投資組合管理服務，或(2) 與客戶進行其他個人收費安排，並且未從管理公司取得任何費用回扣。 管理公司認定為從屬公司之公司以及與管理公司達成協議之其他投資人。 <p>管理公司不應就 J 股份級別股份支付任何費用回扣予投資人。</p> <p>該等投資人僅於符合下列情況時始得投資 J 股份級別股份：</p> <ul style="list-style-type: none"> 已與管理公司簽訂一特定之事前書面協議（如係透過中介股東持有 J 股份級別股份，則最終投資人須已與管理公司簽訂該協議）。 經管理公司依個案認定其已對相關基金進行顯著投資。 <p>如依管理公司全權考量認為投資人所持有 J 股份級別股份已低於顯著投資之標準，則管理公司得</p>	200,000,000 歐元	50,000 歐元	200,000,000 歐元

股份級別	合格投資人	最低申購金額及持有金額		
		首次申購	後續申購	持有金額
	拒絕其對 J 股份級別股份之新申購申請。			
II 股份級別	<p>該等機構投資人僅於符合下列情況時始得投資 II 股份級別股份：<!--</p--> <ul style="list-style-type: none"> 已與管理公司簽訂一特定之事先書面協議（如係透過中介股東持有 II 股份級別股份，則最終投資人須已與管理公司簽訂該協議）。 經管理公司依個案認定其已對相關基金進行顯著投資。 <p>如依管理公司全權考量認為機構投資人所持有 II 股份級別股份已低於顯著投資之標準，則管理公司得拒絕其對 II 股份級別股份之新申購申請。</p> </p>	200,000,000 歐元	50,000 歐元	200,000,000 歐元
L 股份級別	<p>得由管理公司認可之下列特定投資人取得：<!--</p--> <ul style="list-style-type: none"> 須於基金規模小於 4 億歐元時申購；且 且須符合最低投資標準。 <p>此等股份將僅於當基金規模小於一定規模時，由管理公司自行決定募集，並得適用較低之年度管理費。</p> <p>任何取得此級別股份之投資人即使已達到或超過上述基金規模後，仍得繼續投資此等股份級別。</p> <p>管理公司可全權酌情增加上述基金規模，低於該規模的 L 類股票可購買或放棄最低投資標準。</p> </p>	20,000,000 歐元	50,000 歐元	20,000,000 歐元
LI 股份級別	得由管理公司認可之下列特定機構投資人取得：	20,000,000 歐元	50,000 歐元	20,000,000 歐元

股份級別	合格投資人	最低申購金額及持有金額		
		首次申購	後續申購	持有金額
	<ul style="list-style-type: none"> 須於基金規模小於 4 億歐元時申購；且 且須符合最低投資標準。 <p>此等股份將僅於當基金規模小於一定規模時，由管理公司自行決定募集，並得適用較低之年度管理費。</p> <p>任何取得此級別股份之投資人即使已達到或超過上述基金規模後，仍得繼續投資此等股份級別。</p> <p>管理公司可全權酌情增加上述基金規模，低於該規模的 LI 類股票可購買或放棄最低投資標準。</p>			
N 股份級別	<p>於經管理公司事前同意，且限於特定情況下始可能取得，特定情形即：</p> <ul style="list-style-type: none"> 於特定國家銷售；及 <p>透過特定銷售機構為之。</p>	5,000 歐元	75 歐元	1,000 歐元
P 股份級別	<p>於經管理公司事前同意，且限於特定情況下始可能取得，特定情形即：</p> <ul style="list-style-type: none"> 於特定國家銷售；及 透過特定銷售機構為之。 	1,000 歐元	75 歐元	1,000 歐元
S 股份級別	股份得由符合資格以及最低投資標準之銷售機構、平台以及其他形式之中介機構取得。	50,000 歐元	5,000 歐元	50,000 歐元
SI 股份級別	得提供予機構投資人	50,000 歐元	5,000 歐元	50,000 歐元
T 股份級別	<p>得提供予：</p> <ul style="list-style-type: none"> 符合 MiFID 第 30 條定義且係為自己進行投資之合格交易對手；和 	500,000 歐元	50,000 歐元	500,000 歐元

股份級別	合格投資人	最低申購金額及持有金額		
		首次申購	後續申購	持有金額
	<ul style="list-style-type: none"> • 其他集體投資計畫；和 • 銷售機構、平台以及其他中介機構，其經營(1)與客戶具有書面費用約定以提供顧問或全權委託投資組合管理服務，或(2)與客戶進行其他個人收費安排，並且未從管理公司取得任何費用回扣。此等客戶並不適用最低申購金額之限制。 • 管理公司認定為從屬公司之公司；及 • 與管理公司達成協議的其他投資人。 <p>此股份級別有績效費。</p>			
TI 股份級別	<p>得由機構投資人取得。</p> <p>此級別有績效費。</p>	500,000 歐元	50,000 歐元	500,000 歐元
U 股份級別	<p>於經管理公司事前同意，且限於特定情況下始可能取得，特定情形即：</p> <ul style="list-style-type: none"> • 於特定國家銷售；及 • 透過特定銷售機構為之。 • 銷售機構、平台和其他中介機構，其經營(1)向客戶收費、提供諮詢或全權委託投資組合管理服務，或(2)與客戶進行其他個人收費安排，並且不向管理公司收取任何回扣的。對於這些客戶，最低認購限額將不適用。 	500,000 歐元	50,000 歐元	500,000 歐元
UI 股份級別	<p>得由特定投資人取得，於經管理公司事前同意，且限於特定情況下：</p> <ul style="list-style-type: none"> • 於特定國家銷售；及 	500,000 歐元	50,000 歐元	500,000 歐元

股份級別	合格投資人	最低申購金額及持有金額		
		首次申購	後續申購	持有金額
	<ul style="list-style-type: none"> 透過特定銷售機構為之。 			
V 股份級別	<p>於經管理公司事前同意，且限於特定情況下始可能取得，特定情形即：</p> <ul style="list-style-type: none"> 於特定國家銷售；及 透過特定銷售機構為之。 <p>僅由管理公司自行決定在有限時間內提供，並可能降低年度管理費。</p> <p>在基金補充協議中定義的發行期間結束時停止接受認購。任何已獲得該股份類別的投資機會的投資者在發行期結束後不得再對該股份類別進行進一步投資。</p> <p>V 類股份將在基金補充協議規定的日期自動免費轉換為相關基金的 A 類股份。</p> <p>更多資訊載於下文「V 類股份」部分。</p>	1,000 歐元	75 歐元	1,000 歐元
W 股份級別	<p>得由下列投資人取得：</p> <ul style="list-style-type: none"> 符合 MiFID 第 30 條定義且係為自己進行投資之合格交易對手。 其他集體投資計畫。 銷售機構、平台或其他中介機構，其經營(1)與客戶具有費用約定以提供顧問或全權委託投資組合管理服務，或(2)與客戶進行其他個人收費安排，並且未從管理公司取得任何費用回扣之。最低申購限額對這些客戶不適用 	500,000 歐元	50,000 歐元	500,000 歐元

股份級別	合格投資人	最低申購金額及持有金額		
		首次申購	後續申購	持有金額
	<ul style="list-style-type: none"> 管理公司認定為從屬公司之公司以及與管理公司達成協議之其他投資人。 			
WI 股份級別	得由特定投資人取得	500,000 歐元	50,000 歐元	500,000 歐元
X 股份級別	<p>經管理公司事先同意，在某些受限的情況下可提供：</p> <ul style="list-style-type: none"> 在某些國家發行；和 透過某些分銷商。 <p>依「相關基金補充文件」的規定，X 類股份級別自動免費轉換為相應的 A 類或 A2 類股份級別，在原始申購日滿三年或屆滿後不久。</p> <p>更多資訊在「X 類股份級別」和「X 類股份級別和遞延申購手續費(CDSC)」一節中列出。</p>	1,000 歐元	75 歐元	1,000 歐元
Z 股份級別	<p>得由下列特定投資人取得：</p> <ul style="list-style-type: none"> 符合投資 C 股份級別股份之資格；且 已與管理公司簽訂一事前書面付費協議之投資人。 <p>此等股份之目的在於提供另一種收費架構，管理公司將直接向投資人收取年度管理費。</p>	20,000,000 歐元	50,000 歐元	20,000,000 歐元
ZI 股份級別	<p>得由已與管理公司簽訂一事前書面付費協議之機構投資人取得。</p> <p>此等股份之目的在於提供另一種收費架構，管理公司將直接向機構投資人收取年度管理費。</p>	20,000,000 歐元	50,000 歐元	20,000,000 歐元

除基金補充文件另有約定外，上述每股份級別之最低申購金額均以歐元計價（或等值替代貨幣）。

管理公司得依其裁量，針對任何基金、股份級別或股東，減少或免收上述最低申購金額及持有金額。

管理公司或董事可依情況決定延長或縮短任何基金股份級別的募集期間。

▪ V 股份級別

在相關基金的基金補充協議規定的期間內，V 股類別不收取初始費用。相反，如果在相關基金的基金補充協議規定的期限內贖回 V 類股份，則需繳納贖回費用。

V 類股份於相關基金的基金補充協議中規定的期限或之後不久自動免費轉換為相應 A 類股份。在某些司法管轄區，這種轉換可能會導致股東承擔稅務義務。股東應諮詢其稅務顧問，以取得有關自身立場的建議。變更後，股東將成為 A 類股東，並受 A 類股東的權利義務約束。

▪ X 股份級別

X 股份級別將自動免費轉換為相應的 A 股份級別或 A2 股份級別，在原始申購日滿三年或屆滿後不久。在某些司法管轄區，此轉換可能會使股東負擔稅務。股東應就其自身情況向其稅務顧問諮詢。轉換後，股東將成為 A 股份級別或 A2 股份級別之股東，並須遵守 A 股份級別與 A2 股份級別的權利和義務。

結構型商品

只有在與管理公司達成特定協議後，才可以投資股票以創建結構型商品。在沒有此類協議的情況下，如果與結構型商品有關且董事會認為與其他股東的利益有潛在衝突的話，董事會可以拒絕對該股票的投資。

倘本公司股東未能遵守上述規定，董事會可強制贖回該股東所持股份。

股份級別特性與命名原則

▪ 累積股份級別

該股份級別並不分配任何股息。所獲得之收益係保留於資產淨值。

累積股份級別可由其名稱中有「累積」二字辨識。

▪ 入息股份級別

所有入息股份均可分配股息。

入息股份級別可由其名稱中有「入息」二字辨識。

入息股份級別可能有不同的配息政策，詳參「配息政策」一節。

配息頻率有別於本基金的入息股份級別臚列如下：

配息頻率	每半年	每季	每月
入息股份級別辨識符號	「S」字尾後綴於級別名稱後	「Q」字尾後綴於級別名稱後	「M」字尾後綴於級別名稱後
以 A 級別為例	美元 A 級別 S-入息	美元 A 級別 Q-入息	美元 A 級別 M-入息

入息股份級別亦可能有不同的股息計算方式如下：

入息股份級別辨識符號	股息計算方式
F	<p>該股份級別一般依據事先決定的年化分配收益支付配息。</p> <p>數字後綴係用以區別同一基金與股份類別計價貨幣下不同之預定配息率水準（如 F2，F3）。此數字後綴不代表實際預定之配息比率。預定之配息水準將由董事會酌情決定並定期審查。</p> <p>舉例：在某一基金下，美元 A-HMF 級別（係指第一種類之預定配息率）與美元 A-HMF2 級別（係指第二種類之預定配息率）</p>
SP	<p>該股份級別之識別符號係為「SP」，代表其擬提供穩定之配息。</p> <p>該股份級別一般依據可變動且事先決定的金錢分配支付股息，並依本基金資產在一滾動期間內產生的收益（於扣除任何收費及費用前）提供股東一致之配息。</p> <p>為了穩定股息支付，如果分配大於基金的淨收入，則將透過資本（包括已實現和未實現的淨收益以及投資者的初始投資）提供資金</p> <p>股息依董事之裁量決定，且可能會定期審視，以反映本基金預計之總收益的變化。</p> <p>例如：美元 A 級別 M SP - 入息</p>
SY	<p>該股份級別之識別符號係為「SY」，代表其擬提供穩定之收益。</p> <p>該股份級別一般依據可變動且事先決定的分配收益支付股息，並依本基金資產在一滾動期間內產生的收益（於扣除任何收費及費用前）提供股東一致之收益。</p> <p>股息可能包括通過貨幣對沖份額類別流程或基金的投資組合管理中進行的貨幣對沖操作所產生的利率差異。</p> <p>為了穩定股息支付，如果分配大於基金的淨收入，則將透過資本（包括已實現和未實現的淨收益以及投資者的初始投資）提供資金</p> <p>股息依董事之裁量決定，且可能會定期審視，以反映本基金預計之總年化收益的變化。</p> <p>例如：歐元 A 級別 H M SY - 入息</p>
EP	<p>該股份級別之識別符號係為「EP」，代表其擬提供強化之配息。</p>

入息股份級別辨識符號	股息計算方式
	<p>該股份級別通常根據可變和預定貨幣分配支付股息。</p> <p>股份類別旨在為股東提供持續的配息，通常高於滾動期間基金資產產生的收入（扣除任何費用和開支之前）。</p> <p>資產產生的收益率（扣除任何費用和開支之前）。如果股息大於基金的淨收入，則它將由資本提供資金，包括已實現和未實現的淨收益以及投資者的初始投資。</p> <p>配息可能包括透過貨幣對沖股票類別流程或在基金投資組合管理內進行的貨幣對沖所產生的利率差異。</p> <p>股息由董事依情況計算，並可能會定期進行審查以反基金的預計年總收入的變化，並會根據經濟和其他情況而有所不同。</p> <p>舉例：美元 A 級 MEP-分配</p>
EY	<p>該股份級別之識別符號係為「EY」，代表其擬提供強化之收益。</p> <p>此股份級別通常根據變動和預定的配息率來支付股息。</p> <p>股份類別旨在為股東提供一致的分配收益率，通常高於滾動期間基金資產產生的收益率（扣除任何費用和開支之前）。如果股息大於基金的淨收入，則它將由資本提供資金，包括已實現和未實現的淨收益以及投資者的初始投資。</p> <p>配息可能包括透過貨幣對沖股票類別流程或在基金投資組合管理內進行的貨幣對沖所產生的利率差異。</p> <p>股息由董事依情況決定，可以定期進行審查以反映本基金的預期收入的變化，並會根據經濟和其他情況而有所不同。</p> <p>舉例：美元 A 級 MEY-分配</p>

投資人應注意，綴有「F」、「SP」、「SY」、「EP」或「EY」字尾之股份級別可能自投資收益、資本利得或資本中配息，因為時有所配股息可能高於基金所賺取之收益。因此，股息可能會對稅賦狀況有所影響，所以建議投資人就不同入息股份級別之投尋求適當之稅務意見。

自資本所配之股息可能會超出該股份級別之淨實現和未實現獲利，導致投資人初始投資金額遭到侵蝕。自資本配息一般會在一檔基金有負數績效時持續進行，進而使股份級別之價值下跌速度較未配息時更為迅速。

「風險因素」一節的「資本分配風險」小節中介紹了與從資本分配股利和/或包括利率差異的分配股份級別相關的風險。

▪ 股份級別貨幣

一股份級別可能會以基金之參考貨幣及下列幣別計價：澳幣、加幣、瑞士法郎、歐元、英鎊、港幣、日圓、挪威克朗、瑞典克朗、新加坡幣、人民幣、美元及南非幣。本公司可能會決定發行以其他幣別計價之股份級別。

一股份級別之名稱包含三個英文字母（係標準國際貨幣縮寫），以代表股份級別貨幣。

▪ 貨幣避險股份級別

股份級別可能無避險或進行貨幣避險。

貨幣避險股份級別可由後綴於股份級別名稱之「H」字尾辨識。

於提供貨幣避險股份級別時，基金得使用以下三種任一貨幣避險方式，說明如下：

避險方法	說明
複製法	投資管理機構從事避險交易，以減少貨幣避險股份級別的貨幣與本基金參考貨幣之間匯率波動的影響。
拆解法	投資管理機構從事避險交易，以減少貨幣避險股份級別持有人對基金投資組合中主要貨幣變動之曝險。 如果基金投資全球，而相關參考貨幣的避險成本可能無法達到最佳結果，替代貨幣可用於規避貨幣風險。如果無法決定適合的替代貨幣，則該曝險可能保持不變。特定時間點的任何未避險曝險的總價值可能非常顯著。
基準指標法	投資管理機構從事貨幣避險交易，以適用與預先定義基準指標相關的積極貨幣觀點。股份級別在基金基準指標所佔權重內對投資組合的貨幣進行避險，因此僅使貨幣避險股份級別適用投資管理機構的積極貨幣觀點。

有關一檔基金所使用避險方法之資訊，載於各基金補充文件。

投資人應注意，無論股份級別之避險方法為何，並無法保證貨幣避險將完全成功，且其不可能對一貨幣避險股份級別之貨幣匯率波動影響達成完全之避險。

貨幣避險方法所使用之主要金融衍生性商品為遠期外匯契約。

避險至巴西里拉之股份級別不得以巴西里拉計價，因為巴西里拉係為一受限制貨幣，代表該貨幣之交易有隱含限制。一「避險至巴西里拉」之股份級別係以相關基金之參考貨幣計價，但將該基金之參考貨幣避險至巴西里拉。因使用貨幣衍生性商品（包括無本金交割遠期外匯交易），每股資產淨值將隨巴西里拉兌該基金參考貨幣之匯率波動而波動。其影響將反映在該股份級別之績效上，因此可能與該基金所有其他股份級別之績效有大幅差異。該等交易所生之任何收益、損失、成本及費用僅將反映在該股份級別之資產淨值中。有關貨幣避險股份級別之風險，詳見「貨幣避險股份級別之風險」一節。

有關貨幣避險股份級別之風險，詳見「風險因素」一節中的「貨幣避險股份級別之風險」小節。

X 股份級別和遞延申購手續費(CDSC)

X 股份級別不收取任何初始費用。取而代之，分銷費用自原始申購日後的三年期間每年收取，且如果 X 類股份級別在上述的三年期間被贖回，另收取遞延申購手續費(CDSC)，如“費用及支出”一節所述。

如果 X 股份級別是透過代表投資者的中介機構的綜合帳戶持有的，則 X 股份級別的持有期限和遞延申購手續費(CDSC)的金額由該中介機構計算。該中介機構負責確保在適當的時間將投資者的 X 股份級別轉換為 A 類或 A2 股份級別。中介人或其代理人應指示註冊服務商和轉讓代理商根據其需要將 X 股份級別轉換為 A 或 A2 股份級別。

費用

關於年度管理費與單一費用之細節以及任何首次申購費用、贖回費用或任何其他費用，詳見相關基金補充文件。

總覽

股份級別特徵之可能組合請參下表：

股份級別類型	配息政策	配息頻率*	配息類型**	適用貨幣	避險政策***
A, A2, B, C, CI, E, EI, G, J, II, K, L, LI, N, P, S, SI, T, TI, U, UI, V, W, WI, X, Z, ZI	累積型	不適用	不適用	澳幣、加幣、瑞士法郎、歐元、英鎊、日圓、港幣、挪威克朗、瑞典克朗、新加坡幣、人民幣、美元及南非幣或任何其他本公司可能決定使用之貨幣	標準（未避險） 避險（H）
	配息型	年度配息 半年度配息（S） 每季配息（Q） 每月配息（M）	標準配息 固定配息		

*如一股股份級別與基金存有不同配息頻率，此等股份級別將於股份級別標記以供辨識。

**投資人應參閱「配息政策」一節

***投資人應參閱「股份級別貨幣避險」一節

M&G 環球股息基金

此部分有關 M&G 環球股息基金之資訊應與本公開說明書之全文共同閱讀。

成立日期 2018 年 9 月 18 日

投資目標 本基金有二項目標：

- 於任五年期間內提供比起全球股票市場較高之總報酬（結合資本增長及收益），同時應用 ESG 標準；及
- 提供每年增長之美元計價收入來源。

投資政策

本基金投資設立於任何國家（包含新興市場）之各產業及各市值規模公司之股權證券和股權相關工具至少達其資產淨值之百分之八十。本基金通常持有少於 50 檔股票。

本基金得透過滬港通及深港通投資於中國 A 股。

本基金投資符合 ESG 標準的證券，採用排除方法和正面 ESG 傾向，其詳載於本基金補充文件之先契約文件。

除上述之外，本基金還可以投資於 UCITS 和其他 UCI，只要被認為與其投資政策一致。本基金可投資於現金（即 2010 年法律第 41(1) 條允許的存款）及準現金。除非本投資政策另有允許，現金和準現金投資不得超過基金淨值的 20%。

本基金可能因不符合其投資政策的併購和重組等公司行為而獲得某些資產。本基金通常會盡可能處分此類資產，但如果投資經理人認為這符合投資者的最佳利益，則可能會繼續在此類資產中持有最多其資產淨值的 10%。

本基金可使用衍生工具進行對沖和有效的投資組合管理。

投資策略

投資方法

本基金以個別公司之基本面分析出發，採行由下而上之選股方式。股息收益率並非選擇股票之主要因素。

投資管理機構之目標為創建具有廣大範圍之國家及產業曝險之多元投資組合。選擇具有不同股息增長動能之股票以建構具有足以應對各類市場狀況之潛力之投資組合。

投資管理機構之 ESG 分類

本基金被歸類為 Planet+/ESG 增強型。

基金的 ESG 分類記載於本公開說明書附錄 1 的「ESG 詞彙」。

歐盟永續財務揭露規則 SFDR

本基金被歸類於 SFDR 下的 Article 8 基金，並且如同先契約文件所描述，提倡環境和/或社會特徵。

績效指標

MSCI ACWI Net Return Index

績效指標是可以用來衡量基金業績的比較機制。該綜合指數係衡量本基金績效之參考點，因為它最能反映該基金投資政策的範圍。基金績效指標不限制基金的投資組合建構。

本基金採主動式管理。投資管理機構可以自由選擇在基金中購買，持有和出售哪些資產。基金的持有量可能會與績效指標成份股發生重大偏離，因此基金的績效表現也可能與績效指標有明顯的不同。

績效指標以股份級別幣別顯示。

典型投資人概況

本基金係為下述零售和機構投資人所設計：欲透過投資於全球各地公司之多元化投資組合獲得資本增長與收益，且偏好永續發展之零售與機構投資人。

我們不保證本基金將實現其目標。投資人應明白其資本將面臨風險，投資價值和任何衍生收入可能會下降也可能上升。

於各情況下，所有投資人皆被預期將了解投資本基金股份所伴隨之風險。

本基金係為計畫持有投資期間至少 5 年之投資人而設計。

參考貨幣

美元

貨幣避險股份級別

本基金之貨幣避險股份級別尋求降低貨幣避險股份級別之幣別及本基金參考貨幣間匯率波動之影響。

配息政策

除非一股份級別另有明定，如宣派股息，則本基金將每季配息。

主要風險

基金面臨以下主要風險，通常與基金投資或用於實現其投資目標的證券和工具有關。：

- 資本及收益變動之風險
- 貨幣及匯率風險
- 投資組合集中
- 新興市場
- 投資於中國
- 投資於小型公司之基金

- 流動性風險
- 交易對手風險
- ESG 資訊
- 投資排除

投資人應閱讀本公開說明書之「風險因素」章節中對風險的所有敘述。

可供投資之股份級別

股份級別	年度管理費率	申購費用	贖回費用	分銷費用	遞延申購手續費 (CDSC)	現行當地稅 (Taxe d'abonnement) 之年率	行政費用 (單年最大費率)
A	1.75%	4.00%	無	無	無	0.05%	0.15%
C	0.75%	1.25%	無	無	無	0.05%	0.15%

- 投資人應閱讀「**重要資訊**」此章節，其可能針對特定國家投資人另訂有最低申購要求。董事得全權決定降低或免除最低申購金額及最低後續申購金額。
- 所顯示之申購及贖回費用為最高數額，於某些情形下可能較低。
- 貨幣避險股份級別之投資人應注意一 0.01%-0.055%之股份級別避險費用將適用。
- 發行本公開說明書時，並非所有列出之可供認購的股份級別都會於本基金補充文件中揭露。本基金已發行之股份級別的詳細清單可參考 [M&G 網站](#)。

CDSC 時間表

在原始申購日後三年內贖回 X 類股份的股東需要從贖回收益扣除的 CDSC 如下：

年份	第一年	第二年	第三年	第三年之後
CDSC	3.00%	2.00%	1.00%	0.00%

投資人應參閱公開說明書中「費用及支出」一節以取得有關 CDSC 的進一步資訊。

M&G ESG 巴黎協議全球永續股票基金

此部分有關 M&G ESG 巴黎協議全球永續股票基金之資訊應與本公開說明書之全文共同閱讀。

成立日期 2018 年 11 月 9 日

投資目標 本基金有兩個目標：

- 財務目標：提供於任五年期間內較全球股票市場為高之總報酬（結合資本增長及收益）
- 永續發展目標：投資於對巴黎氣候協定改變目標有貢獻之公司

投資政策 本基金投資設立於任何國家（包含新興市場）之各產業及各市值規模具永續發展性公司之股權證券和股權相關工具或至少達其資產淨值之百分之八十。本基金之集中投資組合通常持有少於 40 家公司。

本基金投資於符合 ESG 標準之證券，採用排除法和正向 ESG 結果，並且應用永續性投資策略，以實現永續性投資目標，如同本基金補充文件之先契約文件中所述。

除上述之外，本基金還可以投資於 UCITS 和其他 UCI，只要被認為與其投資政策一致。本基金可投資於現金（即 2010 年法律第 41(1) 條允許的存款）及準現金。除非本投資政策另有允許，現金和準現金投資不得超過基金淨值的 20%。

本基金可能因不符合其投資政策的併購和重組等公司行為而獲得某些資產。本基金通常會盡可能處分此類資產，但如果投資經理人認為這符合投資者的最佳利益，則可能會繼續在此類資產中持有最多其資產淨值的 10%。

投資策略 本基金得運用衍生性工具以達到避險及有效投資組合管理等目的。
投資方法

本基金係以全球股票為核心之基金，對於透過低碳濃度或減少碳濃度，對巴黎協定長期全球暖化目標有貢獻之具永續性公司，進行長期投資，如同在先契約文件中所述。

此外，這些公司須有永續性商業模式且具競爭優勢特性而得保障其獲利能力；重要的是，投資管理機構投資於其短期問題已提供明確價值機會之企業。

本基金根據個別股票的基本面分析，採用自下而上的股票選擇方法。投資管理機構相信此投資方法形成強大組合，以提供有品質企業之長期複合價值以及公司股價於短期問題解決後之潛在增長。

基金經理人將選擇最適合的資產來建構高度集中之投資組合。

投資管理機構之 ESG 分類

此一基金被歸類於 Planet+ / 永續型。

基金的 ESG 分類記載於附錄 1「ESG 詞彙」。

歐盟永續財務揭露規則

SFDR

本基金被歸類於 SFDR 下的 Article 9 基金，有關永續投資相關資訊記載於本基金補充文件之先契約文件中。

績效指標

MSCI World Net Return Index

績效指標是可以用來衡量基金業績的比較機制。該綜合指數係衡量本基金績效之參考點，因為它最能反映該基金投資政策的範圍。基金績效指標不限制基金的投資組合建構。

該績效指標亦用來定義低碳濃度的公司。投資管理機構考量指標內的加權平均碳濃度來建立投資組合，但不限制基金投資組合的建構。

本基金採主動式管理，在特定的限制範圍內，投資管理機構可以自由選擇購買，持有和出售基金持有之資產。基金的持有量可能會與績效指標成份股發生顯著差異，也因此績效表現可能與指標有所偏離。

績效指標以股份級別幣別顯示。

典型投資人概況

本基金係為零售和機構投資者提供資本增長和收入的結合，以通過投資於全球一系列符合巴黎協定氣候變化目標並具有永續發展性偏好之各公司組合來實現。

基金並不保證能夠達成目標，適合的投資人應了解本基金不保證該等資本成長及收益，而其資本存有風險且其投資標的之價值及任何衍生收入可能有所漲跌之。

於各情況下，所有投資人皆被預期將了解投資本基金股份所伴隨之風險。

本基金適合計畫持有投資至少 5 年之投資人。

參考貨幣

美元

貨幣避險股份級別

本基金之貨幣避險股份級別尋求降低貨幣避險股份級別之幣別及本基金參考貨幣間匯率波動之影響。

配息政策

除非一股份級別另有明定，如宣派股息，則本基金將每年配息。

主要風險

基金面臨以下主要風險，通常與基金投資或用於實現其投資目標的證券和工具有關。

- 資本及收益變動之風險
- 新興市場
- 貨幣及匯率風險

- 投資組合集中
- 投資於小型公司之基金
- 流動性風險
- 交易對手風險
- ESG 資訊
- 投資排除

投資人應閱讀本公開說明書之「風險因素」章節中對風險的所有敘述。

可供投資之股份級別

股份級別	年度管理費 A (年率)	申購費用	贖回費用	分銷費用	遞延申購手續費 (CDSC)	現行當地稅 (Taxe d'abonnement) 之年率	行政費用 (單年最大費率)
A	1.75%	5.00%	無	無	無	0.05%	0.15%

- 投資人應閱讀「**重要資訊**」章節，其可能針對特定國家投資人另訂有最低申購要求。董事得全權決定降低或免除最低申購金額及最低後續申購金額。
- 所顯示之申購及贖回費用為最高數額，於某些情形下可能較低。
- 貨幣避險股份級別之投資人應注意— 0.01%-0.055%之股份級別避險費用將適用。
- 發行本公開說明書時，並非所有列出之可供認購的股份級別都會於本基金補充文件中揭露。本基金已發行之股份級別的詳細清單可參考 [M&G 網站](#)。

M&G 入息基金

此部分有關 M&G 入息基金之資訊應與本公開說明書之全文共同閱讀。

成立日期

2018 年 1 月 16 日

投資目標

本基金之目標為透過投資於以全球為範圍之資產，以獲得任一個三年期間內持續之收益成長。本基金之目標亦為在採用 ESG 標準之同時，於任一個三年期間內創造每年 2% 至 4% 之資本增長。

投資政策

本基金之投資方式具高度靈活性，得自由投資於全球各地所發行不同類型或任何計價幣別之資產。

本基金通常會依下列配置進行投資：40-80% 在固定收益、10-50% 在股權證券和股權相關工具及 0-20% 在其他資產。

本基金通常投資於下述資產類別中以獲取收益為主之資產：固定收益證券、股權證券和股權相關工具。投資管理機構一般會將本基金超過 70% 之資產淨值投入歐元（或其他歐元避險貨幣）計價資產。

本基金通常會進行直接投資。本基金得為有效管理投資組合及避險之目的，運用衍生性金融工具以達到其投資目標。本基金得取得市場中合成型空頭部位（持有衍生性商品以尋求於所連結資產價值下滑期間創造正報酬）、貨幣、證券、指數與其他證券之集合。

本基金得投資於以下固定收益工具：

- 公司、政府、地方當局、政府機構或特定國際公共機構所發行或擔保之債券；
- 發行人位於新興市場之債券；
- 於中國銀行間債券市場交易、以在岸人民幣計價中國境內之債券；
- 經認可評等機構評等為投資等級之債券；
- 未評等債券與評等為次級投資等級之債券，最高可佔本基金資產淨值之 40%；
- 資產擔保證券，最高可佔本基金資產淨值之 10%；
- 價值源自債券、利率或信用風險之衍生性商品；及
- 現金（指 2010 年法律第 41(1) 條允許的存款）及準現金。

本基金得投資之權益工具包括 (a) 直投公司股份，以及 (b) 其價值源自於公司股份之衍生性商品。本基金可通過滬港通和深港通投資於中國 A 股。

為此目的之其他資產，包括其他不構成固定收益或權益工具之可轉讓證券、可轉換債券與應急可轉債。本基金投資應急可轉債，最高可占其資產淨值之 5%。

本基金欲投資於符合 ESG 標準之標的，應用了在基金補充文件先契約文件中所述的排除法。

衍生性工具可用以滿足本基金之投資目標，如以避險為目的，以及增加投資組合管理效率為目的使用之。本基金為達成目標，可投資之衍生性工具包括但不限於即期與遠期合約、場內交易期貨、交換合約、信用違約交換、選擇權及總報酬交換。

除上述之外，本基金還可以投資於 UCITS 和其他 UCI，只要被認為與其投資政策一致。本基金可投資於現金（即 2010 年法律第 41(1) 條允許的存款）及準現金。除非本投資政策另有允許，現金和準現金投資不得超過基金淨值的 20%。

本基金可能因不符合其投資政策的併購和重組等公司行為而獲得某些資產。本基金通常會盡可能處分此類資產，但如果投資經理人認為這符合投資者的最佳利益，則可能會繼續在此類資產中持有最多其資產淨值的 10%。

投資策略

投資方法

投資管理機構針對不同類型資產之資本配置採取非常彈性之由上而下方法以因應經濟情況及資產價值之變動。此方法結合深入之研究以於中長期計算資產價值，並分析市場對各事件之反應以找出投資機會。尤其，投資管理機構尋求因市場對各事件之反應而使資產價格偏離合理「公平」長期價值時採取因應措施。

本基金欲藉由投資全球多重資產類別、產業、貨幣及國家以管理風險。如投資管理機構認為機會僅限於少數地區，則投資組合可能高度集中於部分資產或市場。本基金通常將投資於個別股票或債券，但其亦可能投資於指數或產業。

本基金之目標在於藉由投資於提供固定收益之資產（例如配息之公司股票、公司債及政府債）以創造收益增長。

投資管理機構相信此方法可使年化波動率（本基金價值於任何 12 個月期間內波動之程度）維持在 4%~8% 間，並預期可自本基金之標的投資取得目前本基金股份價格 4% 之總年收（以稅前總收益為基礎）。

基金管理機構之 ESG 分類

此一基金被歸類於 Planet+ /ESG 增強型。

基金的 ESG 分類詳載於附錄 1「ESG 詞彙」。

歐盟永續財務揭露規則

本基金提倡環境及/或社會特徵，被歸類於 SFDR 下的 Article8 基金，相關資訊記載於本基金補充文件之先契約文件中。

績效指標

本基金採主動式管理且沒有績效指標。

投資人可以通過其目標來評估該基金的績效，該目標是在任何三年期間每年提供 2-4% 的總回報率。

典型投資人概況

典型投資人可能為尋求收益及資本成長且可承受本基金投資損失之經濟風險，以及偏好永續發展之零售、專業或機構投資人。

基金不保證能夠達成目標，投資人應了解其資本存有風險且其投資標的之價值及任何衍生收入可能有所漲跌。

於各情況下，所有投資人皆被預期將了解投資本基金股份所伴隨之風險。

本基金係為計畫投資持有期間至少 3 年之投資人。

參考貨幣

歐元

貨幣避險股份級別

本基金之貨幣避險股份級別尋求降低貨幣避險股份級別之幣別及本基金參考貨幣間匯率波動之影響。

全球曝險之計算

絕對風險值。

槓桿

本基金在正常市場狀況下依名目總額法計算之預計槓桿程度為本基金資產淨值之 100%。

於部份情況下槓桿程度有時可能會較高，該等情況包括但不限於參考市場情況及投資策略之變更。

配息政策

除另以配息股份級別辨識符號說明，則本基金將每月配息。

主要風險

基金面臨以下主要風險，通常與基金投資或用於實現其投資目標的證券和工具有關。

- 資本及收益變動之風險
- 新興市場
- 衍生性工具
- 賣空
- 信用風險
- 利率風險
- 貨幣及匯率風險
- 應急可轉債
- 投資於中國
- 證券化債券
- 流動性風險
- ESG 資訊
- 投資排除

投資人應閱讀本公開說明書之「風險因素」章節中對風險的所有敘述。

可供投資之股份級別

股份級別	年度管理費率（年率）	申購費用	贖回費用	分銷費用	遞延申購手續費 (CDSC)	現行當地稅（ <i>Taxe d'abonnement</i> ）之年率	行政費用
A	1.50%	4.00%	無	無	無	0.05%	0.15%
X	1.50%	無	無	1.00%	請參見下方 CDSC 時間表	0.05%	0.15%

- 投資人應閱讀「**重要資訊**」章節，其可能針對特定國家投資人另訂有最低申購要求。董事得全權決定降低或免除最低申購金額及最低後續申購金額。
- 所顯示之申購及贖回費用為最高數額，於某些情形下可能較低。
- 貨幣避險股份級別之投資人應注意：0.01%-0.055%之股份級別避險費用將適用。
- 發行本公開說明書時，並非所有列出之可供認購的股份級別都會於本基金補充文件中揭露。本基金已發行之股份級別的詳細清單可參考 [M&G 網站](#)。

CDSC 時間表

在原始申購日期後三年內贖回 X 類股份的股東需要從贖回收益扣除的 CDSC 如下：

年份	第一年	第二年	第三年	第三年之後
CDSC	3.00%	2.00%	1.00%	0.00%

投資人應參閱公開說明書中「費用及支出」一節以取得有關 CDSC 的進一步資訊。

M&G 日本基金

此部分有關 M&G 日本基金之資訊應與本公開說明書之全文共同閱讀。

成立日期 2018 年 10 月 26 日

投資目標 本基金的目標係在 ESG 標準應用之下提供於任五年期間較日本股票市場為高之總報酬（資本增長及收益）。

投資政策 本基金至少將百分之八十之資產淨值投資於設立於日本或其主要經濟活動於日本進行之公司之股權證券和股權相關工具。本基金通常持有少於 50 檔股票。

投資管理機構相信市場錯價會發生且經常發生，此係因心理因素（即行為偏誤）可能妨礙投資人合理評估其投資。因此，市場價格未必均反映其基本面價值。

投資管理機構相信其有可能自該等於日本股票市場上普遍存在之行為偏誤取得系統性獲利。

本基金投資於符合 ESG 標準的證券，採用排除法及正面 ESG 傾向，如同在基金補充文件之先契約文件所述。

除上述之外，本基金還可以投資於 UCITS 和其他 UCI，只要被認為與其投資政策一致。本基金可投資於現金（即 2010 年法律第 41(1) 條允許的存款）及準現金。除非本投資政策另有允許，現金和準現金投資不得超過基金淨值的 20%。

本基金可能因不符合其投資政策的併購和重組等公司行為而獲得某些資產。本基金通常會盡可能處分此類資產，但如果投資經理人認為這符合投資者的最佳利益，則可能會繼續在此類資產中持有最多其資產淨值的 10%。

本基金可使用衍生工具進行對沖和有效的投資組合管理。

投資策略 投資方法

投資管理機構之目標在於藉由採行有紀律之長期投資方法利用市場錯價獲利。本基金篩選廣大投資範圍以建立重點股票清單，該等股票將因其歷史及市場而以低價交易。此類公司將受紀律嚴謹且嚴格之基本面分析。了解一家公司之持續性收入將確保基本面分析可對本基金所持有各公司之獲利能力具有高度確信。

投資管理機構之目標在於建構合理多元投資組合，並預期選股機制成為績效之主要動力。

投資管理機構之 ESG 分類

本基金被歸類為 Planet+/ESG 增強型。

基金的 ESG 分類記載於本公開說明書附錄 1 的「ESG 詞彙」。

歐盟永續財務揭露規則	<p>SFDR</p> <p>本基金被歸類於 SFDR 下的 Article 8 基金，具有提倡環境與/或社會特徵，如同本基金補充文件先契約文件所述。</p>
績效指標	<p>MSCI Japan Net Return Index</p> <p>績效指標是可以用來衡量基金業績的比較機制。該綜合指數係衡量本基金績效之參考點，因為它最能反映該基金投資政策的範圍。基金績效指標不限制基金的投資組合建構。</p> <p>本基金採主動式管理。投資管理機構可以自由選擇在基金中購買、持有和出售哪些資產。基金的持有股票可能會與績效成份股發生重大偏離，因此基金的績效表現也可能與績效指標有明顯的不同。</p> <p>績效指標以股份級別幣別顯示。</p>
典型投資人概況	<p>本基金係為零售及機構投資人所設計，其尋求在投資日本證券中之長期資本成長及收益，且偏好永續發展。</p> <p>我們不保證本基金將實現其目標。投資人應明白其資本將面臨風險，投資價值和任何衍生收入可能會下降也可能上升。</p> <p>於各情況下，所有投資人皆被預期將了解投資本基金股份所伴隨之風險。</p> <p>本基金適合計畫持有投資至少 5 年之投資人。</p>
參考貨幣	<p>日圓</p>
貨幣避險股份級別	<p>本基金之貨幣避險股份級別尋求降低貨幣避險股份級別之幣別及本基金參考貨幣間匯率波動之影響。</p>
配息政策	<p>除非一股份級別另有明定，如宣派股息，則本基金將每年配息。</p>
主要風險	<ul style="list-style-type: none">• 基金面臨以下主要風險，通常與基金投資或用於實現其投資目標的證券和工具有關。資本及收益變動之風險• 貨幣及匯率風險• 投資組合集中• 投資於特定資產類別、地區或產業之基金• 投資於小型公司之基金• 流動性風險

- 交易對手風險
- ESG 資訊
- 投資排除

投資人應閱讀本公開說明書之「風險因素」章節中對風險的所有敘述。

可供投資之股份級別

股份級別	年度管理費 (年率)	申購費用	贖回費用	分銷費用	遞延申購手續費 (CDSC)	現行當地稅 (Taxed'abonnement) 之年率	行政費用 (單年最大費率)
A	1.50%	5.00%	不適用	無	無	0.05%	0.15%

- 投資人應閱讀「**重要資訊**」此章節，其可能針對特定國家投資人另訂有最低申購要求。董事得全權決定降低或免除最低申購金額及最低後續申購金額。
- 所顯示之申購及贖回費用為最高數額，於某些情形下可能較低。
- 貨幣避險股份級別之投資人應注意－0.01%-0.055%之股份級別避險費用將適用。

發行本公開說明書時，並非所有列出之可供認購的股份級別都會於本基金補充文件中揭露。本基金已發行之股份級別的詳細清單可參考 [M&G 網站](#)。

M&G 日本小型股基金

此部分有關 M&G 日本小型股基金之資訊應與本公開說明書之全文共同閱讀。

成立日期 2018 年 10 月 26 日

投資目標 本基金的目標係在應用 ESG 標準下，提供於任五年期間較日本小型公司股票市場為高之總報酬（結合資本增長及收益）。

投資政策 本基金投資至少其資產淨值之 80% 於設立於日本、其主要辦事機構位於日本、或其主要經濟活動於日本進行之小型公司之股權證券和股權相關工具。

小型公司之定義為日本全部公開上市公司中總市值屬於後二分之一之公司。

直至 2024 年 9 月 4 日

本基金通常持有少於 50 間公司之集中性投資組合。

自 2024 年 9 月 5 日起

本基金通常持有少於 60 間公司之投資組合。本基金投資於符合 ESG 標準的證券，採用排除法和正面 ESG 傾向，其詳載於本基金補充文件之先契約文件中。

然而，本基金可以在所有的 ESG 評等中進行投資。本基金的計算方法不包括無 ESG 評等的證券，也不包括現金、約當現金、部分衍生品和一些集體投資計劃。

除上述之外，本基金還可以投資於 UCITS 和其他 UCI，只要被認為與其投資政策一致。本基金可投資於現金（即 2010 年法律第 41(1) 條允許的存款）及準現金。除非本投資政策另有允許，現金和準現金投資不得超過基金淨值的 20%。

本基金可能因不符合其投資政策的併購和重組等公司行為而獲得某些資產。本基金通常會盡可能處分此類資產，但如果投資經理人認為這符合投資者的最佳利益，則可能會繼續在此類資產中持有最多其資產淨值的 10%。

本基金可使用衍生工具進行對沖和有效的投資組合管理。

投資策略

投資方法

本基金採用有紀律之投資方法，著重在個別公司之分析及選擇。

投資方法將基金的投資範圍篩選成一個重點關注的公司名單，這些公司的股票交易相對於其歷史和市場而言估值較低。

接著對這些公司進行嚴格的財務分析，以了解公司的可持續收益。這種財務分析使基金對持有的每家公司都具有高度的信心。

投資管理機構希望股票選擇成為基金績效的主要動能。

投資管理機構之 ESG 分類

本基金被歸類為 Planet+/ESG 增強型。

基金的 ESG 分類記載於本公開說明書附錄 1 的「ESG 詞彙」。

歐盟永續財務揭露規則 SFDR

本基金被歸類於 SFDR 下的 Article 8 基金，具有提倡環境與/或社會特徵，如同本基金補充文件先契約文件所述。

績效指標

Russell/Nomura Mid-Small Cap Net Return Index

績效指標是可以用來衡量基金業績的比較機制。該綜合指數係衡量本基金績效之參考點，因為它最能反映該基金投資政策的範圍。基金績效指標不限制基金的投資組合建構。

本基金採主動式管理。投資管理機構可以自由選擇在基金中購買，持有和出售哪些資產。基金的持有股票可能會與績效成份股發生重大偏離，因此基金的績效表現也可能與績效指標有明顯的不同。本績效指標並非 ESG 績效指標，與 ESG 標準也不一致。

績效指標以股份級別幣別顯示。

典型投資人概況

本基金係為零售及機構投資人所設計，其尋求自小型公司日本證券投資中獲得長期資本成長及收益，且偏好永續發展。

我們不保證本基金將實現其目標。投資人應明白其資本將面臨風險，投資價值和任何衍生收入可能會下降也可能上升。

於各情況下，所有投資人皆被預期將了解投資本基金股份所伴隨之風險。

本基金適合計畫持有投資至少 5 年之投資人。

參考貨幣

日圓

貨幣避險股份級別

本基金之貨幣避險股份級別尋求降低貨幣避險股份級別之幣別及本基金參考貨幣間匯率波動之影響。

配息政策

除非一股份級別另有明定，如宣派股息，則本基金將每年配息。

主要風險

基金面臨以下主要風險，通常與基金投資或用於實現其投資目標的證券和工具有關。

- 資本及收益變動之風險
- 貨幣及匯率風險

- 投資組合集中
- 投資於特定資產類別、地區或產業之基金
- 投資於小型公司之基金
- 流動性風險
- 交易對手風險
- ESG 資訊
- 投資排除

投資人應閱讀本公開說明書之「風險因素」章節中對風險的所有敘述。

可供投資之股份級別

股份 級別	年度管 理費 (年 率)	申購費 用	贖回 費用	分銷費 用	遞延申 購手續 費 (CDSC)	現行當地稅 (Taxe d'abonnement) 之年 率	行政費用 (單年最大 費率)
A	1.50%	5.00%	無	無	無	0.05%	0.15%

- 投資人應閱讀「**重要資訊**」此章節，其可能針對特定國家投資人另訂有最低申購要求。董事得全權決定降低或免除最低申購金額及最低後續申購金額。
- 所顯示之申購及贖回費用為最高數額，於某些情形下可能較低。
- 貨幣避險股份級別之投資人應注意— 0.01%-0.055%之股份級別避險費用將適用。

發行本公開說明書時，並非所有列出之可供認購的股份級別都會於本基金補充文件中揭露。本基金已發行之股份級別的詳細清單可參考 [M&G 網站](#)。

M&G 北美股息基金

本公開說明書此部分有關 M&G 北美股息基金之資料應與本公開說明書之全文一併閱覽。

成立日期 2018 年 11 月 9 日

投資目標 本基金有二項目標：

- 於五年期間內在 ESG 標準應用之下提供比起美國股票市場較高之總報酬（結合資本增長及收益）；及
- 提供每年增長之美元計價收入來源。

投資政策 本基金投資設立於美國及加拿大或其主要經濟活動於美國及加拿大進行之各產業及各市值規模公司之股權證券和股權相關工具至少達其資產淨值之百分之八十。本基金通常持有少於 50 檔股票。

本基金投資符合 ESG 標準的證券，並應用 ESG 排除法與正面 ESG 傾向，其詳載於本基金補充文件之先契約文件中。

除上述之外，本基金還可以投資於 UCITS 和其他 UCI，只要被認為與其投資政策一致。本基金可投資於現金（即 2010 年法律第 41(1) 條允許的存款）及準現金。除非本投資政策另有允許，現金和準現金投資不得超過基金淨值的 20%。

本基金可能因不符合其投資政策的併購和重組等公司行為而獲得某些資產。本基金通常會盡可能處分此類資產，但如果投資經理人認為這符合投資者的最佳利益，則可能會繼續在此類資產中持有最多其資產淨值的 10%。

本基金可使用衍生工具進行對沖和有效的投資組合管理。

投資策略

投資方法

本基金以個別公司之基本面分析出發，採行由下而上之選股方式。股息收益率並非選擇股票之主要因素。

投資管理機構之目標為創建具有廣大範圍之國家及產業曝險之多元投資組合。選擇具有不同股息增長動能之股票以建構具有足以應對各類市場狀況之潛力之投資組合。

投資管理機構之 ESG 分類

本基金被歸類為 Planet+/ESG 增強型。。

基金的 ESG 分類記載於本公開說明書附錄 1 的「ESG 詞彙」。

歐盟永續財務揭露規則	SFDR 本基金被歸類於 SFDR 下的 Article 8 基金，具有提倡環境與/或社會特徵，如同本基金補充文件先契約文件所述。
績效指標	S&P 500 Net Total Return Index 績效指標是可以用來衡量基金業績的比較機制。該綜合指數係衡量本基金績效之參考點，因為它最能反映該基金投資政策的範圍。基金績效指標不限制基金的投資組合建構。 本基金採主動式管理。投資管理機構可以自由選擇在基金中購買，持有和出售哪些資產。基金的持有股票可能會與績效成份股發生重大偏離，因此基金的績效表現也可能與績效指標有明顯的不同。 績效指標以股份級別幣別顯示。
典型投資人概況	本基金係為零售及機構投資人所設計，其尋求透過投資於北美公司之多元股票投資組合中同時獲得資本成長及收益增長，且偏好永續發展。 我們不保證本基金將實現其目標。投資人應明白其資本將面臨風險，投資價值和任何衍生收入可能會下降也可能上升。 於各情況下，所有投資人皆被預期將了解投資本基金股份所伴隨之風險。 本基金係為計畫持有投資至少 5 年之投資人所設計。
參考貨幣	美元
貨幣避險股份級別	貨幣避險股份級別企圖降低避險級別持有人對本基金投資組合主要貨幣波動之曝險。
配息政策	除非一股份級別另有明定，如宣派股息，則本基金將每季配息。
主要風險	基金面臨以下主要風險，通常與基金投資或用於實現其投資目標的證券和工具有關。 <ul style="list-style-type: none"> ● 資本及收益變動之風險 ● 投資於特定資產類別、地區或產業之基金 ● 投資組合集中 ● 貨幣及匯率風險 ● 投資於小型公司之基金 ● 流動性風險 ● 交易對手風險

- ESG 資訊
- 投資排除

投資人應閱讀「風險因素」章節中對風險的所有敘述。

可供投資之股份級別

股份級別	年度管理費率	申購費用	贖回費用	分銷費用	遞延申購手續費 (CDSC)	現行當地稅 (Taxe d'abonnement) 之年率	行政費用 (單年最大費率)
A	1.50%	5.00%	無	無	無	0.05%	0.15%
X	1.50%	無	無	1.00%	請參見下方 CDSC 時間表	0.05%	0.15%

- 投資人應閱讀「重要資訊」章節，其可能針對特定國家投資人另訂有最低申購要求。董事得全權決定降低或免除最低申購金額及最低後續申購金額。
- 所顯示之申購及贖回費用為最高數額，於某些情形下可能較低。
- 貨幣避險股份級別之投資人應注意一 0.01%-0.055% 之股份級別避險費用將適用。

發行本公開說明書時，並非所有列出之可供認購的股份級別都會於本基金補充文件中揭露。本基金已發行之股份級別的詳細清單可參考 [M&G 網站](#)。

CDSC 時間表

在原始申購日後三年內贖回 X 類股份的股東需要從贖回收益扣除的 CDSC 如下：

年份	第一年	第二年	第三年	第三年之後
CDSC	3.00%	2.00%	1.00%	0.00%

投資人應參閱公開說明書中「費用及支出」一節以取得有關 CDSC 的進一步資訊。

M&G ESG 巴黎協議泛歐永續股票基金

本公開說明書此部分有關 M&G ESG 巴黎協議泛歐永續股票基金之資料應與本公開說明書之全文一併閱覽。

成立日期 2018 年 11 月 9 日

投資目標 本基金有兩個目標：

- 財務目標：提供於任五年期間內較歐洲股票市場為高之總報酬（結合資本增長及收益）
- 永續發展目標：投資於對巴黎氣候協定改變目標有貢獻之公司

投資政策

本基金投資設立於歐洲或於歐洲進行其主要經濟活動之各產業及各市值規模具永續發展性的公司之股權證券和股權相關工具，至少達其資產淨值之百分之八十。本基金通常投資於少於 35 家公司。

本基金投資於符合 ESG 標準之有價證券，採用 ES 排除法與正面 ESG 結果，此外還採用了本基金補充文件先契約文件中所述的可持續投資策略，以實現可持續投資目標。

除上述之外，本基金還可以投資於 UCITS 和其他 UCI，只要被認為與其投資政策一致。本基金可投資於現金（即 2010 年法律第 41(1) 條允許的存款）及準現金。除非本投資政策另有允許，現金和準現金投資不得超過基金淨值的 20%。

本基金可能因不符合其投資政策的併購和重組等公司行為而獲得某些資產。本基金通常會盡可能處分此類資產，但如果投資經理人認為這符合投資者的最佳利益，則可能會繼續在此類資產中持有最多其資產淨值的 10%。

本基金得運用衍生性工具以達到避險及有效投資組合管理等目的。

投資策略

投資方法

本基金係以歐洲股票為核心之基金，對於具永續發展性的公司進行長期投資，其透過低碳濃度或減少碳濃度，如同先契約文件所述，對巴黎協定長期全球暖化目標有貢獻。

此外，這些公司須有永續性商業模式且具競爭優勢特性而得保障其獲利能力及對減碳的目標之公司進行長期性投資。

重要的是，投資管理機構投資於對短期問題已提供明確價值機會之企業。

本基金根據個別股票的基本面分析，採用自下而上的股票選擇方法。

投資管理機構相信此投資方法形成強大組合，以提供有品質企業之長期複合價值以及公司股價於短期問題解決後之潛在增長。

投資管理機構選擇最適合的資產以建造高度集中的投資組合。

投資管理機構之 ESG 分類

此一基金被歸類於 Planet+ / 永續性。

基金的 ESG 分類記載於附錄 1「ESG 詞彙」。

SFDR

本基金被歸類於 SFDR 下的 Article 9 基金，其永續投資相關資訊詳載於本基金補充文件先契約文件中。

MSCI Europe Net Return Index

績效指標是可以用來衡量基金業績的比較機制。該綜合指數係衡量本基金績效之參考點，因為它最能反映該基金的財務目標。該績效指標亦用來定義低碳濃度的公司。投資管理機構在建構投資組合時，將基金的加權平均碳濃度與基準進行比較，但不會以其他方式限制基金投資組合的建構。

本基金採主動式管理，在特定之限制範圍內，投資管理機構可以自由選擇購買、持有和出售基金之資產。本基金的持有量可能會與績效指標成份股發生顯著差異，也因此其績效表現可能與指標有所偏離。

本基金係為零售和機構投資者提供資本增長和收入的結合，以通過投資於歐洲一系列符合巴黎協定氣候變化目標並具有永續發展性偏好的公司組合來實現。

基金不保證能夠達成目標，適合的投資人應了解基金不保證該等資本成長及收益，而其資本存有風險且其投資標的之價值及任何衍生收入可能有所漲跌。

於各情況下，所有投資人皆被預期將了解投資本基金股份所伴隨之風險。

本基金係為計畫持有投資至少 5 年之投資人而設計。

歐元

本基金之貨幣避險股份級別尋求降低貨幣避險股份級別之幣別及本基金參考貨幣間匯率波動之影響。

除非一股份級別另有明定，如宣派股息，則本基金將每半年進行配息。

基金面臨以下主要風險，通常與基金投資或用於實現其投資目標的證券和工具有關。

- 資本及收益變動之風險
- 投資於特定資產類別、地區或產業之基金
- 投資組合集中
- 貨幣及匯率風險
- 投資於小型公司之基金
- 流動性風險
- 交易對手風險
- ESG 資訊
- 投資排除

投資人應閱讀「**風險因素**」章節以獲得風險的完整描述。

可供投資之股份級別

股份級別	年度管理費 (年率)	申購費用	贖回費用	分銷費用	遞延申購手續費 (CDSC)	現行當地稅 (<i>Taxe d'abonnement</i>) 之年率	行政費用 (單年最大費率)
A	1.50%	5.00%	無	無	無	0.05%	0.15%

- 投資人應閱讀「重要資訊」章節，其可能針對特定國家投資人另訂有最低申購要求。董事得全權決定降低或免除最低申購金額及最低後續申購金額。
- 所顯示之申購及贖回費用為最高數額，於某些情形下可能較低。
- 貨幣避險股份級別之投資人應注意— 0.01%-0.055%之股份級別避險費用將適用。

發行本公開說明書時，並非所有列出之可供認購的股份級別都會於本基金補充文件中揭露。本基金已發行之股份級別的詳細清單可參考 [M&G 網站](#)。

M&G 新興市場債券基金

此部分有關 M&G 新興市場債券基金之資訊應與本公開說明書之全文共同閱讀。

成立日期 2018 年 9 月 17 日

投資目標 本基金的目標係在應用 ESG 標準的同時，提供於任三年期間較全球新興市場之債券市場為高之總報酬（結合資本增長及收益）。

投資政策

本基金具有投資各類新興市場債券之彈性，包括主權債券、公司債及當地貨幣債券。

本基金投資至少其資產淨值之 80% 於由新興市場政府或其機構、地方主管機關、公家機關、準主權機構、超國家組織及設立於新興市場國家之公司或其主要經濟活動於新興市場國家進行之公司所發行或保證之債務證券（得以任何貨幣計價）。

本基金得投資於未達投資等級及未經信用評等之有價證券，二者合計最高可達其資產淨值之 100%。本基金可投資之債務證券，無任何信用品質之限制。

本基金得投資以人民幣計價在中國銀行間債券市場交易的中國境內債務證券。

本基金得投資於資產擔保證券及應急可轉債，最高各可達其資產淨值之 10%。

本基金力求符合 ESG 標準的投資，並採用本基金補充文件先契約文件中所述的排除方法。

本基金通常會進行直接投資。本基金亦得間接透過衍生性金融工具建立多頭及空頭部位，並取得超過本基金資產淨值之投資曝險，以便於上漲及下跌之市場中均能增加潛在報酬。本基金得為有效管理投資組合及避險之目的，運用衍生性金融工具以達到其投資目標。該等工具可能包括（但不限於）即期與遠期契約、交易所交易之期貨、選擇權、信用違約交換、利率交換及信用連結債券。

除上述之外，本基金還可以投資於 UCITS 和其他 UCI，只要被認為與其投資政策一致。本基金可投資於現金（即 2010 年法律第 41(1) 條允許的存款）及準現金。除非本投資政策另有允許，現金和準現金投資不得超過基金淨值的 20%。

本基金可能因不符合其投資政策的併購和重組等公司行為而獲得某些資產。本基金通常會盡可能處分此類資產，但如果投資經理人認為這符合投資者的最佳利益，則可能會繼續在此類資產中持有最多其資產淨值的 10%。

投資策略

投資方法

本基金之投資方法，係先從對總體經濟因素（例如全球風險胃納及全球成長之結構性催化因素）進行由上而下之評估開始。

就區域及個別國家層級，本基金將評估貨幣及財政政策、資本流動及政治與監管環境等因素。該分析之結果將協助本基金知悉國家及貨幣分配及其存續期間。個別信用之選擇，則依徹底之信用分析及價值評估決定之。

總體經濟及個別證券之分析，均由投資管理機構及內部信用分析師團隊進行。

本基金投資於橫跨全球新興債券市場之一系列資產，以分散投資。

投資管理機構之 ESG 分類

該基金被歸類為 Planet+ / ESG 增強型。

本基金的 ESG 分類記載於本公開說明書附錄 1「ESG 詞彙」。
本基金被歸類於 SFDR 下的 Article 8 基金，並提倡本基金補充文件先合約文件所載之環境和/或社會特徵。

歐盟永續財務揭露規則

績效指標

由下列三項指數所製成之綜合指數：

- 1/3 JPM EMBI Global Diversified Index
- 1/3 JPM CEMBI Broad Diversified Index
- 1/3 JPM GBI-EM Global Diversified Index

該等指數分別代表以強勢貨幣計價之新興市場政府債券市場、以強勢貨幣計價之新興市場公司債市場、及以本地貨幣計價之新興市場政府債券市場。

績效指標是可以用來衡量基金業績的比較機制。該綜合指數係衡量本基金績效之參考點，因為它最能反映該基金投資政策的範圍。基金績效指標不限制基金的投資組合建構。

本基金採主動式管理。投資管理機構可以自由選擇在基金中購買，持有和出售哪些資產。基金的持有量可能會與績效成份股發生重大偏離。

績效指標以股份級別幣別顯示。。

典型投資人概況	<p>該基金專為尋求由新興市場借款人發行以債務證券為主之投資組合中，獲得資本增長和收入並具有永續性偏好之零售及機構投資者而設計。</p> <p>該基金無法保證將實現其投資目標。投資者應該了解他們的資本將面臨風險，投資價值和任何衍生收入可能會上升或下降。</p> <p>在各種情況下，所有投資人均被預期應瞭解投資本基金股份之相關風險。</p> <p>本基金係為投資期間至少三年之投資人所設計。</p>
參考貨幣	美元
貨幣避險股份級別	<p>本基金之貨幣避險股份級別尋求降低貨幣避險股份級別之幣別及本基金參考貨幣間匯率波動之影響。</p>
全球曝險之計算	<p>相對風險值</p> <p>與本基金相關的全球曝險將使用相對風險值法計算並與綜合指數比較，指數組成如下：</p> <ul style="list-style-type: none"> • 1/3 為 JPM EMBI Global Diversified Index • 1/3 為 JPM CEMBI Broad Diversified Index • 1/3 為 JPM GBI-EM Global Diversified Index
槓桿	<p>本基金於正常市場狀況下依名目總額法計算之預期平均槓桿程度為本基金資產淨值之 150%。</p> <p>於部份情況下槓桿程度有時可能會較高，該等情況包括但不限於參考市場情況及投資策略之變更。</p>
配息政策	<p>除非一股份級別另有明定，如宣派股息，則本基金將每半年配息。</p>
主要風險	<p>基金面臨以下主要風險，通常與基金投資或用於實現其投資目標的證券和工具有關。：</p> <ul style="list-style-type: none"> • 資本及收益變動之風險 • 新興市場 • 投資於中國 • 利率風險 • 信用風險 • 貨幣及匯率風險 • 流動性風險 • 交易對手風險 • 證券化債券 • 應急可轉債 • 衍生性金融工具 • 大於資產淨值之曝險

- 賣空交易
- ESG 資訊
- 投資排除

投資人應閱讀本公開說明書之「風險因素」章節中對風險的所有敘述。

可供投資之股份級別

股份級別	年度管理費率	申購費用	贖回費用	分銷費用	遞延申購手續費 (CDSC)	現行當地稅 (Taxe d'abonnement) 之年率	行政費用 (單年最大費率)
A	1.25%	4.00%	無	無	無	0.05%	0.15%
C	0.60%	1.25%	無	無	無	0.05%	0.15%
X	1.25%	無	無	1.00%	請參見下方 CDSC 時間表	0.05%	0.15%

- 投資人應閱讀「重要資訊」此章節，其可能針對特定國家投資人另訂有最低申購要求。董事得全權決定降低或免除最低申購金額及最低後續申購金額。
- 所顯示之申購及贖回費用為最高數額，於某些情形下可能較低。
- 貨幣避險股份級別之投資人應注意，將收取 0.01%-0.055% 之股份級別避險費用。
- 發行本公開說明書時，並非所有列出之可供認購的股份級別都會於本基金補充文件中揭露。本基金已發行之股份級別的詳細清單可參考 [M&G 網站](#)。

CDSC 時間表

在原始申購日後三年內贖回 X 類股份的股東需要從贖回收益扣除的 CDSC 如下：

年份	第一年	第二年	第三年	第三年之後
CDSC	3.00%	2.00%	1.00%	0.00%

投資人應參閱公開說明書中「費用及支出」一節以取得有關 CDSC 的進一步資訊。

M&G 收益優化基金

此部分有關 M&G 收益優化基金之資訊應與本公開說明書之全文共同閱讀。

發行日期 2018 年 9 月 5 日

投資目標 本基金目標在於藉由投資市場之最佳收益來源，以提供投資人總報酬（資本增長加上收益），同時應用 ESG 標準。

投資政策 本基金至少將百分之五十之資產淨值投資於債務證券，包括投資等級債券、高收益債券、未經評等證券及資產擔保證券。此等證券可能由政府及其機構、公家機關、準主權實體、超國家組織及公司所發行。此等證券之發行人可能位於任何國家（包含新興市場），並以任何貨幣計價。至少百分之八十之資產淨值將以歐元計價或以歐元避險。

雖然本基金之整體存續期間並無負債，本基金仍可能於個別固定收益市場產生負存續期間。

本基金得投資於未達投資等級及未經信用評等之有價證券，二者合計最高可達其資產淨值之百分之百。本基金可投資之債務證券，無任何信用品質之限制。

本基金得投資以在岸人民幣計價、且於中國銀行間債券市場交易之中國境內債務證券。

本基金亦得持有最高達其資產淨值百分之二十之應急可轉債及最高達其資產淨值百分之二十之資產擔保證券。

本基金為具彈性之債券基金，得廣泛投資於投資管理機構認為有價值之固定收益資產。當確定最佳收益來源時，本基金亦可彈性投資最高達其資產淨值百分之二十於股票。

本基金力求進行符合 ESG 標準的投資，並採用本基金補充文件先契約文件中所述的排除方法。

除上述之外，本基金還可以投資於 UCITS 和其他 UCI，只要被認為與其投資政策一致。本基金可投資於現金（即 2010 年法律第 41(1) 條允許的存款）及準現金。除非本投資政策另有允許，現金和準現金投資不得超過基金淨值的 20%。

本基金可能因不符合其投資政策的併購和重組等公司行為而獲得某些資產。本基金通常會盡可能處分此類資產，但如果投資經理人認為這符合投資者的最佳利益，則可能會繼續在此類資產中持有最多其資產淨值的 10%。本基金得為有效管理投資組合及避險之目的，運用衍生性金融工具以達到其投資目標。該等工具可能包括（但不限於）即期與遠期契約、交易所交易之期貨、信用違約交換、總報酬交換、利率交換與信用聯結票據。

投資策略

投資方法

投資管理機構首先對總體經濟，包括可能的成長途徑、通貨膨脹及利率進行由上而下的評估。該分析的結果有助於告知本基金存續期間的定位及其對各種債券資產類別的配置。

內部信用分析師團隊擇定個別信貸，提供對公司債券市場由下而上的分析，以補充投資管理機構之觀點。

投資管理機構之 ESG 分類

本基金被歸類為 Planet+/ESG 增強型。

基金的 ESG 分類記載於本公開說明書附錄 1 的「ESG 詞彙」。

歐盟永續財務揭露規則

SFDR

本基金被歸類於 SFDR 下的 Article 8 基金，具有提倡環境與/或社會特徵，如同本基金補充文件之先契約文件所述。

績效指標

綜合指數由下列三個指數組成：

- 1/3 Bloomberg Global Aggregate Corporate Index EUR Hedged
- 1/3 Bloomberg Global High Yield Index EUR Hedged
- 1/3 Bloomberg Global Treasury Index EUR Hedged

這些指數分別代表全球投資等級公司市場、全球高收益公司市場及全球政府債券市場。

績效指標是可以用來衡量基金業績的比較機制。該綜合指數係衡量本基金績效之參考點，因為它最能反映該基金投資政策的範圍。基金績效指標不限制基金的投資組合建構。

本基金受積極管理，投資管理機構能完全自由選擇基金的投資、購買與持有並賣出。本基金持有有可能顯著偏離績效指標成分。

績效指標以股份級別幣別顯示。

典型投資人概況

本基金旨在為零售及機構投資人提供資本增長與收益，其投資組合至少半數投資於債務證券，且這些投資者具有永續性偏好。

此基金不保證實現其目標，合適投資人應明白其資本將面臨風險，其投資價值與任何衍生收入可能下降或上升。

於各情況下，所有投資人皆被預期將了解投資本基金股份所伴隨之風險。

本基金適合計畫持有投資至少 5 年之投資人。

參考貨幣

歐元

貨幣避險股份級別	本基金之貨幣避險股份級別尋求降低貨幣避險股份級別之幣別及本基金參考貨幣間匯率波動之影響。
全球曝險之計算	絕對風險值。
槓桿	<p>本基金在正常市場狀況下依名目總額法計算之預計槓桿程度為本基金資產淨值之 200%。</p> <p>於部份情況下槓桿程度有時可能會較高，該等情況包括但不限於參考市場情況及投資策略之變更。</p>
配息政策	除另以配息股份級別辨識符號說明，則本基金將每半年配息。
主要風險	<p>基金面臨以下主要風險，通常與基金投資或用於實現其投資目標的證券和工具有關。</p> <ul style="list-style-type: none"> • 資本及收益變動之風險 • 信用風險 • 利率風險 • 貨幣及匯率風險 • 新興市場 • 投資於中國 • 證券化債券 • 應急可轉債 • 衍生性工具 • 大於資產淨值之曝險 • 賣空 • 流動性風險 • 交易對手風險 • ESG 資訊 • 投資排除 <p>投資人應閱讀「風險因素」章節以獲得風險的完整描述</p>

可供投資之股份級別

股份級別	年度管理費率	申購費用	贖回費用	分銷費用	遞延申購手續費 (CDSC)	現行當地稅 (<i>Taxe d'abonnement</i>) 之年率	行政費用 (單年最大費率)
A	1.25%	4.00%	無	無	無	0.05%	0.15%
C	0.75%	1.25%	無	無	無	0.05%	0.15%
X	1.25%	無	無	1.00%	請參見下方 CDSC 時間表	0.05%	0.15%

- 投資人應閱讀「**重要資訊**」章節，其可能針對特定國家投資人另訂有最低申購要求。董事得全權決定降低或免除最低申購金額及最低後續申購金額。
- 所顯示之申購及贖回費用為最高數額，於某些情形下可能較低。
- 貨幣避險股份級別之投資人應注意— 0.01%-0.055%之股份級別避險費用將適用。

發行本公開說明書時，並非所有列出之可供認購的股份級別都會於本基金補充文件中揭露。本基金已發行之股份級別的詳細清單可參考 [M&G 網站](#)。

CDSC 時間表

在原始申購日後三年內贖回 X 類股份的股東需要從贖回收益扣除的 CDSC 如下：

年份	第一年	第二年	第三年	第三年之後
CDSC	3.00%	2.00%	1.00%	0.00%

投資人應參閱公開說明書中「費用及支出」一節以取得有關 CDSC 的進一步資訊。

除了上述「V 類級別特定條款」中提到的從 V 類級別自動轉換為 A 類級別的情況外，對於在 IOP 結束後的兩年半內從 V 類級別轉換的股東，將根據以下方式對轉換金額收取轉換費用：

新興市場

M&G 短期優質債券基金

此部分有關 M&G 短期優質債券基金之資訊應與本公開說明書之全文共同閱讀。

成立日期 2018 年 10 月 26 日

投資目標 本基金的目標係在應用 ESG 標準之下提供於任五年期間較短期投資等級公司債市場為高之總報酬（資本增長加收益）。

投資政策 本基金至少將百分之八十之資產淨值投資於投資等級公司所發行之固定及浮動利率債務證券及資產擔保證券。

本基金亦得投資於高收益公司債、由政府或其機構、公家機關、準主權實體及超國家組織發行之債務證券。本基金亦得投資於未經評等債券。本基金得投資之高收益債務證券並無信用品質之限制。

此等證券得由全世界任何國家（包含新興市場）發行並以任何貨幣計價。本基金不採貨幣觀點，且目標為將任何非歐元資產以歐元避險。

本基金之投資流程係同時依據由上而下之總體經濟觀點及個別證券之基本面分析。

本基金投資短期公司債及/或使投資組合整體存續期間較短之證券，以限制利率波動對本基金資本價值之影響。

本基金得投資於高收益及未經評等證券合計最高達本基金資產淨值百分之二十。

本基金得持有最高達其資產淨值百分之百之資產擔保證券及最高達其資產淨值百分之二十之應急可轉債。

本基金得投資資產擔保證券，包含不動產抵押擔保證券（商用、機構住宅、優質住宅、非優質住宅）、現金擔保債務憑證、現金擔保貸款憑證、車貸、次級車貸、消費者信貸、信用卡、學生貸款、航空器貸款/租賃、設備租賃、小型企業貸款/租賃、整體企業證券化、單戶住宅租賃及其他證券化資產。

本基金追求投資於符合 ESG 標準之標的，並採用本基金補充文件之先契約文件中所述之排除法。

本基金通常會進行直接投資。本基金亦得間接透過衍生性金融工具建立多頭及空頭部位，以達到本基金投資目標及有效投資組合管理。該等衍生性工具亦得用於避險目的。此類衍生性工具包括（但不限於）即期及遠期合約、交易所交易之期貨、信用違約交換以及利率交換。

除上述之外，本基金還可以投資於 UCITS 和其他 UCI，只要被認為與其投資政策一致。本基金可投資於現金（即 2010 年法律第

41(1) 條允許的存款) 及準現金。除非本投資政策另有允許, 現金和準現金投資不得超過基金淨值的 20%。

本基金可能因不符合其投資政策的併購和重組等公司行為而獲得某些資產。本基金通常會盡可能處分此類資產, 但如果投資經理人認為這符合投資者的最佳利益, 則可能會繼續在此類資產中持有最多其資產淨值的 10%。

投資策略

投資方法

投資管理機構考量總體經濟、資產類別、產業、地理及個別信用等級因素。

此動態投資方法結合由上而下及由下而上之選股, 使投資管理機構得依據債券市場之前景變更存續期間及信用曝險之配置, 同時透過其對短期公司債之偏好維持其固有短期存續期間之配置。

內部信用分析師團隊協助投資管理機構擇定個別信貸, 同時監控本基金所持有之投資。

投資管理機構之 ESG 分類

本基金被歸類為 Planet+/ESG 增強型。

基金的 ESG 分類記載於本公開說明書附錄 1 的「ESG 詞彙」。

歐盟永續財務揭露規則

本基金被歸類於 SFDR 下的 Article 8 基金, 具有環境與/或社會特徵, 如同本基金補充文件先契約文件所述。

績效指標

Markit iBoxxEUR Corporates 1-3 year Index

績效指標是可以用來衡量基金業績的比較機制。該綜合指數係衡量本基金績效之參考點, 因為它最能反映該基金投資政策的範圍。基金績效指標不限制基金的投資組合建構。

本基金受積極管理。投資管理機構可以完全自由地選擇購買、持有和出售哪些投資基金。基金持有的股票可能會與基準成分股發生重大偏離。

績效指標以股份級別幣別顯示。

典型投資人概況

本基金係為零售與機構投資人而設計, 其尋求自平均投資組合存續期間較短之全球固定收益投資組合中獲得總報酬, 且偏好永續發展。

我們不保證本基金將實現其目標。投資人應明白其資本將面臨風險, 投資價值和任何衍生收入可能會下降也可能上升。

於各情況下, 所有投資人皆被預期將了解投資本基金股份所伴隨之風險。

本基金係為計畫持有投資至少 5 年之投資人而設計。

參考貨幣	歐元。
貨幣避險股份級別	本基金之貨幣避險股份級別尋求降低貨幣避險股份級別之幣別及本基金參考貨幣間匯率波動之影響。
全球曝險之計算	絕對風險值。
槓桿	本基金在正常市場狀況下依名目總額法計算之預計槓桿程度為本基金資產淨值之 150%。於部份情況下槓桿程度有時可能會較高，該等情況包括但不限於參考市場情況及投資策略之變更。
配息政策	除非一股份級別另有明定，如宣派股息，則本基金將每季配息。
主要風險	<p>基金面臨以下主要風險，通常與基金投資或用於實現其投資目標的證券和工具有關。</p> <ul style="list-style-type: none"> • 資本及收益變動之風險 • 信用風險 • 利率風險 • 證券化債券風險 • 新興市場 • 應急可轉債 • 流動性風險 • 交易對手風險 • 衍生性工具 • 曝險高於資產淨值風險 • 賣空 • ESG 資訊 • 投資排除 <p>投資人應閱讀「風險因素」章節以獲得風險完整描述。</p>

可供投資之股份級別

股 份 級 別	年 度 管 理 費 (年率)	申 購 費 用	贖 回 費 用	分 銷 費 用	遞 延 申 購 手 續 費 (CDSC)	現 行 當 地 稅 (<i>Taxe d'abonnement</i>) 之 年 率	行 政 費 用 (單 年 最 大 費 率)
A	0.25%	3.25%	無	無	無	0.05%	0.15%

- 投資人應閱讀「**重要資訊**」章節，其可能針對特定國家投資人另訂有最低申購要求。董事得全權決定降低或免除最低申購金額及最低後續申購金額。
- 所顯示之申購及贖回費用為最高數額，於某些情形下可能較低。
- 貨幣避險股份級別之投資人應注意－0.01%-0.055%之股份級別避險費用將適用。

發行本公開說明書時，並非所有列出之可供認購的股份級別都會於本基金補充文件中揭露。本基金已發行之股份級別的詳細清單可參考 [M&G 網站](#)。

附錄 1：責任投資的 ESG 整合與方法

ESG 整合

投資管理機構公司採用了聯合國責任投資原則（UNPRI）的定義，將 ESG 整合定義為將 ESG 因素系統性地融合在投資分析與決策之中。換句話說，ESG 整合為所有在投資分析與投資決策上具財務上重要性的 ESG 因素。

基金進行 ESG 整合應：

- 將 ESG 和氣候變遷有關的考量系統性的整合進研究與投資過程
- 辨識及評估 ESG 的風險，且整合具重要性之 ESG 風險進投資判斷，以及
- 收集 ESG 研究與 ESG 整合的證據
- ESG 整合並無意限定投資管理機構為基金實現風險調整後收益最大化的責任，因此並非基金投資政策之約束要素。所以 ESG 整合不代表：禁止投資特定產業、國家或公司
- 所有公司或證券發行人都必須評估、考量所有的 ESG 因素
- 所有的投資決策皆受 ESG 考量影響
- 必須對投資過程進行重大改變，或 犧牲投資組合報酬以展現 ESG 整合的技巧

ESG 詞彙

下列名詞之定義代表其在本公開說明書之意義。這些定義主要的目的在於傳遞資訊(相對於用於法律)，並提供投資人有關本公開說明書之 ESG、責任投資有用的名詞解釋。

同類最佳法	一種選擇具備強 ESG 資格且通常在其所屬族群內有領先永續性表現的公司之責認投資方法。
ESG 標準	ESG 標準，包括適用於投資的排除方法，可從相關基金之先契約補充文件中所提供之連結取得。
ESG 加強型 ¹	為 M&G 的 ESG 基金分類之一，在 M&G 網站上有所解釋。被歸類於 ESG 加強型的基金將追求減輕對環境和社會負擔的負面影響。
ESG 因素	可能會影響證券風險、波動性、長期報酬及市場的非財務考量。投資可能同時對社會與環境產生好與壞的影響。 <ul style="list-style-type: none">● 環境包含像是氣候風險、自然資源短缺、汙染、廢棄物與環境機會● 社會包含像是資訊安全、健康安全、工作環境與其他社會與員工事務，以及人權。

- **公司治理**包含像是董事與勞工組成之多樣性、企業倫理、會計實務董事會獨立性，以及反賄賂貪汙等事務。

在特定內容下，ESG 因素亦可能用來指稱永續性因素。

ESG 整合	沒有推廣環境或社會特徵或追求永續投資目標，但採用上文所解釋之 ESG 整合方法的基金。ESG 整合涉及判斷永續發展風險，並將其納入投資組合與風險監控，此於風險因素的永續發展風險進一步解釋。
ESG 落後者	基於 MSCI (ESG 評等為 B 或 CCC) 被歸類為 ESG 落後者的公司，除非投資管理機構內部對於 ESG 評估持不同觀點。
ESG 評等/分數	衡量一家公司在一系列 ESG 因素方面表現的綜合指標。
排除方法	具有約束力的環境和/或社會特徵，藉由排除被評估與基金的 ESG 標準相衝突的投資來減少基金的投資範圍。藉由應用一種或多種排除類型來使用排除方法，可減輕對環境和社會的潛在負面影響。還可用於藉由排除被認為更有可能對環境和/或社會目標造成重大損害的投資，以幫助基金提供更永續性的成果。
排除類型	<p>如果基金採用排除法，以下排除類型將適用於基金之直接投資：</p> <ul style="list-style-type: none"> ● 基於規範被排除之態樣：投資於被評估為違反與人權、勞工權利、環境和反貪腐等相關普世行為標準之投資項目。 ● 基於產業別和/或基於價值觀被排除之樣態：投資和/或產業之商業活動被評估為對與破壞人類健康、社會福祉、環境之企業活動有關，或不符合基金基於產業別或價值標準之投資項目。 ● 其他被排除之樣態：經評估與 ESG 標準存在衝突的投資項目。 <p>上文提及的“評估”是指根據該基金的 ESG 標準進行的評估。</p>
影響	M&G 的 ESG 基金分類之一，如同 M&G 網站所解釋。歸類為影響型的基金的目標為對環境和/或社會有可衡量的正面影響。
淨零排放	代表達成公司整體價值鏈的活動所排放之溫室氣體，對環境的淨影響為 0 之狀態。
巴黎協定	一個具法律拘束力的氣候變遷國際條約。此一條約由 196 方在 COP21 於 2015 年 12 月 12 日共同簽屬，並於 2015 年 11 月 4 日生效。此一條約的目標是使得全球暖化造成的溫度提高不高於前工業時代的 2 度，並已 1.5 度作為理想目標。
Planet+ 基金	M&G 專注於永續性的基金種類，由影響型、永續型及 ESG 加強型基金組成。
正面 ESG 結果	基金的一種非約束性特徵，於此投資管理機構可期待基金投資策略有優於相對和/或絕對衡量方式之一個或多個環境和/或社會特徵。

正面 ESG 傾向	本基金正面傾向於具有較好的 ESG 特質之投資，其可用絕對與相對值衡量，詳見基金相關補充文件。
主要不利衝擊	在永續因素的投資決定上之主要不利影響。
責任投資	為一種將環境、社會、公司治理(ESG)因素納入投資決策與積極所有權的策略與行動。同時考慮 ESG 對風險調整報酬的影響、經濟的穩定、已及如何透過投資與和被投資機構的合作影響社會與環境。
SDG-aligned	基金的一個特徵，投資管理機構將投資與一個或多個可持續發展目標之一致性視為基金投資策略的一部分。該特徵是否具有約束力以及考慮哪些可持續發展目標在相關基金之先契約補充文件中有所描述。
SDG-contributing	基金的其中一個一個特徵，就是投資管理機構將投資一個或多個可持續發展目標的貢獻，視為基金投資策略的一環。而此特徵是否具有約束力、以及考慮哪些可持續發展目標，皆詳述於相關基金之先契約補充文件中。
SDGs	聯合國可持續發展目標。17 個可持續發展目標的集合，其中包括一系列環境和社會目標。
SFDR	歐洲議會與理事會在 2019 年 11 月 27 日頒布之有關金融服務部門之永續發展相關揭露條例 (EU)，已經修訂。
永續的	M&G 的 ESG 基金分類之一，在 M&G 的網站上有解釋。歸類為永續型的基金將分配資產於預計對環境和/或社會目標作出積極貢獻的投資。
永續因素	與環境、社會和員工事務、尊重人權、反腐敗和反賄賂事務等有關因素。
盡職管理與參與	<p>盡職管理是指透過盡責的分配、管理、監控資金，為客戶創造長期價值，且有益於經濟、環境、社會的永續利益。</p> <p>參與是指投資人與現在或潛在被投資公司有關 ESG 因素的互動。</p> <p>參與是用來影響(或辨識是否須影響)ESG 行動或增進 ESG 揭露。</p> <p>基金以施行積極所有權進行參與和表決的方式管理。</p>
分類法 (Taxonomy Regulation)	歐洲議會和理事會 2020 年 6 月 18 日關於建立促進永續投資框架之規定(EU) 2020/852，以及可能不定期修訂之條例 (EU) 2019/2088。
加權平均碳濃度 (WACI)	碳濃度是衡量公司所產生以及與其銷售相關碳排放量的指標。基金的 WACI 是通過總投資組合持股的碳濃度計算，並根據每個持股占基金資產淨值百分比對每個持股之貢獻進行加權。某些投資組合持有量可能會被排除在該計算之外，例如，在無法獲得適當數據的情況下，這些數據將在向投資者報告時披露。

附錄 2：績效費計算

就特定基金與股份級別而言，管理公司有權自各基金或股份級別之淨資產收取年度績效費，如適用，此等費用將於每評價日計算並累計，而於每會計年度終了時，應將此等費用累計款項支付予投資管理機構。

績效費之計算，係依據各相關股份級別之每股資產淨值增加超過其高水位以及門檻之百分比為之。一基金各股份級別之績效費適用比率（「績效費率」）以及門檻記載於相關基金補充文件「績效費」一節中。

績效費之計算

績效費之計算，係於相關會計期間，依據特定基金之各相關股份級別之績效為計算，並僅於考慮以基金資產淨值支付之所有其他款項後方得支付。績效費係依據各相關股份級別之價格每日計算並累計，而於每會計年度終了時，將此累計款項支付予投資管理機構，或得於相關股份被註銷時支付之，或是基金關閉或合併時由董事決定支付。

績效費是根據未調整的每股資產淨值，即在可能適用於資產淨值的任何擺動定價以減輕交易成本的影響（「擺動定價機制及稀釋稅」一節中所述）之前，針對每個相關股份級別計算的。

如於任何交易日，相關股份級別之每股資產淨值低於其高水位或門檻，則不會產生績效費。此等相關股份級別之每股資產淨值超過其高水位以及門檻等標準後，績效費方開始累計。

自會計年度期間開始時累計之績效費，將計入適用基金中各相關股份級別資產淨值之計算。於會計期間之任何交易日，一股份級別所生任何低於高水位或門檻之較高標準之負績效，將抵銷任何過去之正績效，從而降低每股之累計績效費。如相關股份已發行或註銷，任何因負績效所致績效費用之扣減，將不適用先前累計之數額。

管理公司註銷相關股份時，任何與被註銷股份相關之累計績效費，將於該交易日確定並應支付予投資管理機構。年度會計期間所累計之績效費用總額恆不小於零。

因每股資產淨值將因股份級別而異，則各股份級別之應付績效費金額亦異。可能向適用基金之相關股份級別收取之績效費並無最高限額。

績效費計算方法之變更將通知股東。

門檻

各相關股份級別之最初門檻計算方法揭露於相關基金之基金補充文件。

其後每一天，各相關股份級別之門檻，將以前一日要求報酬率之 365 分之 1（如為閏年則為 366 分之 1）為調整。若該日非交易日，管理公司將於下一個交易日調整之。如會計期間終了時，相關股份級別之高水位增加，該股份級別之門檻將調整為以前一日要求報酬率 365 分之 1（如為閏年則為 366 分之 1）為調整之新高水位。其後每一天，門檻將依據本段之說明為調整。

高水位之增加

各相關股份級別之高水位標準得每年於本公司年度之會計基準日修改之，若該期日非一交易日，則於該期日前一交易日修改之。如於年度會計基準日，相關股份級別之每股資產淨值較其當前之高水位以及門檻等標準為高，則高水位標準將於該年度會計基準日被修改為等同於每股資產淨值之數額。如於年度會計基準日，相關股份級別之每股資產淨值等同於其當前之高水位或門檻任一標準，或較之任一為低，則高水位標準將保持不變。各股份級別最初的高水位等同於發起日的每股淨資產價值，當前各股份級別之高水位標準將公佈於本公司之網站。

簡言之，各相關股份級別績效費之計算方式為：

- 以各交易日每股資產淨值增減（調整當日績效費前之每股資產淨值³減前一交易日之每股資產淨值），乘以該交易日該等股份級別之發行股份數，再乘以績效費率，並以高水位或門檻標準較高者為準。
- 如此項計算結果為正數，則績效費累計額將增加此一數額。
- 如此項計算結果為負數，則績效費累計額將扣減此一數額，然而，累計額之扣減不得超過該會計期間已累計之績效費累計額。
- 上述資產淨值之增加，導致每股資產淨值自低於高水位或門檻標準變為高於高水位及門檻（以較高者為準），增加之累計額僅依據超過高水位或門檻標準之績效部分計算。
- 上述資產淨值之減少，導致每股資產淨值自高於高水位或門檻標準變為低於高水位及門檻（以較高者為準），扣減額僅依據低於高水位或門檻標準之績效部分計算。

績效費於會計年度終了之日或相關股份註銷時結算，並應自相關股份級別淨資產支付予管理公司（為投資管理機構之利益）。一旦結算績效費，任何於隨後績效期間支付之績效費均不退還。

下列簡化之舉例，顯示績效費之計算方式，並說明投資人於一定範圍之交易日內買進與賣出基金一股份級別之經驗。

績效說明

	A	B	C	D (31/03)	E	F	G	H (31/03)
調整當日績效費前之每股淨資產價	100.00	110.00	97.00	105.00	114.00	107.00	98.00	98.99

³ 調整當日績效費前之每股資產淨值：對於每個應繳納績效費的股份級別，每股資產淨值包括任何先前應計的績效費，但在該天的績效費計算之前。

值 (Pre-PF NAV)								
高 水 位 (HWM)	100.00	100.00	100.00	100.00	104.01	104.01	104.01	104.01
要求報酬率 (例如3個月倫敦同業拆放利率)	5%	5%	5%	10%	10%	10%	10%	10%
門檻	100.01	100.02	100.03	100.06	104.04	104.07	104.10	114.95
累計績效費*	0.00	2.00	0.00	0.99*	1.99	0.99	0.00	0.00
每股資產淨值	100.00	108.00	99.00	104.01	112.01	108	98.99	98.99

評價時間點 A 至 C 代表會計年度終了日（評價時間點 D）之前三日；評價時間點 E 至 G 代表新年度會計期間開始之前三日；評價時間點 H 代表 362 日後之該年度會計期間終了日。

*績效費於會計期間終了之日結算並支付。

評價時間點之說明

評價時間點 A

該期間開始時調整當日績效費前之每股資產淨值為 100，故高水位（HWM）設為 100，而門檻設為 100.01（此係以 100.00 加上 $(100.00 \times 5\%) / 365$ 所得出）。

評價時間點 B

當日調整當日績效費前之每股資產淨值上升至 110。因其超過高水位與門檻，績效費累計額為 2（調整當日績效費前之每股資產淨值與門檻間差額之 20%； $9.98 \times 20\%$ ）。因此，每股資產淨值為 108（ $110 - 2$ ），而投資人即以此為基礎之價格購買股份。

評價時間點 C

當日調整當日績效費前之每股資產淨值下降至 97。因其低於門檻，不產生績效費，並償還 2 累計績效費。每股資產淨值現為 99（ $97 + 2$ ）。

評價時間點 D

要求報酬率（例如 3 個月倫敦同業拆放利率）已上升至 10%，導致對於門檻之調整較前幾天更多； $(100.03 \times 10\%) / 365$ 。調整當日績效費前之每股資產淨值上升至 105。重新超過高水位與門檻，而超過門檻之收益則產生績效費用 0.99（ $4.94 \times 20\%$ ）。因此，每股資產淨值為 104.01（ $105 - 0.99$ ）。因該日為本公司會計年度終了之日，0.99 之績效費將結算並支付予投資管理機構。高水位標準亦調整為當前每股資產淨值 104.01。

評價時間點 E

調整當日績效費前之每股資產淨值上升至 114。因高水位標準被調整為前一天每股資產淨值 104.01，則門檻也上升至 104.01 加上 3 個月倫敦同業拆放利率的 365 分之 1。所收取之績效費為 1.99 ($9.96 \times 20\%$)，而每股資產淨值為 112.01 ($114 - 1.99$)。

評價時間點 F

調整當日績效費前之每股資產淨值下降至 107。雖然此值仍高於當前之高水位與門檻，調整當日績效費前之每股資產淨值仍較前一天每股資產淨值之 112.01 下降了 5.01。償還 1.99 中之 1 ($5.01 \times 20\%$) 績效費後，餘額為 0.99。因累計績效費之一部分被償還，每股資產淨值現為 108 ($107 + 1$)。

評價時間點 G

調整當日績效費前之每股資產淨值下降至 98。因此數額均低於當前之高水位與門檻，故不產生績效費，且累計績效費之 0.99 被償還並計入每股資產淨值。於評價時間點 D 結算並由管理公司支付予投資管理機構之績效費用 0.99 未被償還，因其產生於前一會計期間。

評價時間點 H

這代表年度會計期間之結束，即評價時間點 G 之 362 日以後。其假設此期間內績效表現保持平穩，故無績效費之累計或償還。門檻每天均增加要求報酬率之 365 分之 1。因本會計年度終了時每股資產淨值低於高水位，高水位與門檻於下一會計期間均不調整。如 3 個月倫敦同業拆放利率維持於 10%，則下一評價時間點之門檻為 114.98。

績效費對投資人經驗之影響說明

(註：假設此等案例中之買賣價格等同於每股資產淨值)

投資人一：於評價時間點 A 投資並於評價時間點 B 賣出

以 100 買入並以 108 賣出。因調整當日績效費前之每股資產淨值上升並超過門檻 (100.02)，故於評價時間點 B 產生績效費 2 ($(110 - 100.01) \times 20\% = 2$)。

投資人二：於評價時間點 A 投資並於評價時間點 C 賣出

以 100 買入並以 99 賣出。投資人二之出售價格低於其初始買進價格，因調整當日績效費前之每股資產淨值低於高水位與門檻故未產生績效費。

投資人三：於評價時間點 C 投資並於評價時間點 D 賣出

以低於高水位與門檻之價格 99 買進，並以 104.1 賣出。雖投資人三之調整當日績效費前之所得為 6 ($105 - 99$)，惟因績效費應僅就高於高水位或門檻中較高標準之所得為支付，故此績效費僅應支付 0.99 ($(105 - 100.06) \times 20\% = 0.99$)。

投資人四：於評價時間點 D 投資並於評價時間點 F 賣出

於高水位與門檻調整之日以 104.01 買進，並以 108 賣出。

評價時間點 E：自門檻(104.04)至當前調整當日績效費前之每股資產淨值(114)增加了 9.96，因此產生了 1.99 $((114 - 104.04) \times 20\% = 1.99)$ 之績效費。調整當日績效費前之每股資產淨值 114 扣減 1.99 之累計費用，扣減後之每股資產淨值為 112.01 $(114 - 1.99)$ 。

評價時間點 F：自前一日之每股資產淨值(112.01)至當前調整當日績效費前之每股資產淨值(107)減少了 5.01，故累計績效費 1 應被償還 $(107 - 112.01) \times 20\% = 1$ 。累計績效費 1 被計入調整當日績效費前之每股資產淨值之 107，計入後每股資產淨值為 108 $(107+1)$ 。績效費仍為 0.99。

績效費 0.99 於評價時間點 D 至 F 被合計並支付。

投資人五：於評價時間點 A 投資並於評價時間點 F 賣出

以 100 買入並以 108 賣出。

自評價時間點 A 至 C：未收取績效費。

評價時間點 D：雖前一日之每股資產淨值為 99，其仍低於高水位與門檻。僅於資產淨值超過高水位(100)與門檻(100.06)時，方得收取績效費用。因此，自前一日超過高水位或門檻中較高標準之每股資產淨值，至當前調整當日績效費前之每股資產淨值(105)，增加了 4.94 $(105 - 100.06 = 4.94)$ 。因此，產生了 0.99 之績效費 $((105 - 100.06) \times 20\% = 0.99)$ 。因該日係會計期間之結束，累計績效費支付予投資管理機構，高水位則被調整為 104.01，即每股資產淨值 $(105 - 0.99)$ 。

評價時間點 E：自門檻(104.04)至當前調整當日績效費前之每股資產淨值(114)係增加了 9.96。因此產生了 1.99 之績效費 $((114 - 104.06) \times 20\% = 1.99)$ 。調整當日績效費前之每股資產淨值之 114 扣減 1.99，扣減後每股資產淨值為 112.01 $(114 - 1.99)$ 。

評價時間點 F：自前一日之每股資產淨值(112.01)至當前調整當日績效費前之每股資產淨值(107)係增加了 5.01。因此應償還累計績效費 1 $(107 - 112.01) \times 20\% = 1$ 。此等累計績效費 1 計入調整當日績效費前之每股資產淨值之 107 中，計入後每股資產淨值為 108 $(107 + 1)$ 。仍累計績效費 0.99。

1.98 之績效費於評價時間點 A 至 F 被合計並支付（於評價時間點 A 至 D 之 0.99 以及於評價時間點 E 至 F 之 0.99）。

投資人六：於評價時間點 A 投資並於評價時間點 G 賣出

以 100 買進而以 98.99 賣出。本公司第一次會計年度（評價時間點 D）終了時，產生 0.99 之績效費 $(105 - 100.06 \times 20\% = 0.99)$ 。此將支付予投資管理機構，而調整高水位至 104.01。自

評價時間點 D 至評價時間點 G，因價格低於高水位與門檻，故不產生績效費。0.99 之績效費於評價時間點 A 至 G 被合計並支付。

有關績效費之進一步細節，得向管理公司索取。

基金補充文件—先契約文件

(以下每個基金補充文件中所包含的資訊應與完整的公開說明書一起閱讀。)

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產品名稱: M&G環球股息基金
法人機構識別碼: 549300TRK90WIUZI3612

永續投資是指對一項經濟活動的投資，該活動有助於環境或社會目標的實現，前提是該投資不會對任何環境或社會目標造成重大損害，且被投資公司遵循良好的治理實踐。

歐盟分類法是法規 (EU) 2020/852 中規定的分類系統，建立了**環境永續經濟活動清單**。該法規不包括社會永續經濟活動的清單。具有環境目標的永續投資可能與分類法一致或不一致。

環境及/或社會特徵

本金融商品是否具有永續投資目標？

● ● ☒ 否

☐ 將進行最低度的**環境目標永續投資**：

☐ 符合歐盟分類法的環境永續經濟活動

☐ 不符合歐盟分類法的環境永續經濟活動

☐ 將進行最低度的**社會目標永續投資**

☒ 具有提倡環境/社會(E/S)特徵，雖無將永續投資作為目標，惟其至少占永續投資之20%

☐ 經濟活動之環境目標，符合歐盟分類法之環境永續性

☒ 經濟活動之環境目標，不符合歐盟分類法之環境永續性

☒ 具有社會目標

☐ 具有提倡E/S特徵，但不做任何永續投資



該金融產品提倡哪些環境及/或社會特徵？

本基金提倡使用排除法與正面ESG傾向（定義如下）：

本基金自其投資範疇中排除了某些潛在的投資，以降低對於環境與社會的潛在負面影響（「排除法」）。對於證券化投資，如資產支持證券（ABS），還將根據投資經理的專有評分方法進行評估。現金可能被視為符合「排除方法」的特點，當現金存放在機構或投資於通過投資經理ESG質量閾值的貨幣市場基金中時（「排除方法」）。因此，投資管理機構藉由排除某些被認為對ESG因素不利的投資，來促進某些環境和/或社會特徵。

有關該基金的排除內容的更多信息，請參閱基金的網站揭露，您可以通過以下網址獲取 www.mandg.com/country-specific-fund-literature。

為達到基金所提倡的環境和/或社會特徵，基金並沒有設定績效標準。

● 本產品使用什麼永續性指標衡量產品所倡導之所有環境和/或社會特徵的實踐情況？

選擇用以展現所倡導環境和/或社會特徵之實踐情況之永續性指標為：

- 排除法：被排除的投資占總資產淨值之百分比
- 正面ESG傾向：投資組合的加權平均ESG評等與投資範圍的加權平均ESG評等比較，或與MSCIA評等的最低數值對應之ESG分數相比較。

永續性指標係衡量該金融產品所提倡之環境或社會特徵被實踐的程度。

- **金融產品部分欲達成的永續性投資的目標是什麼？以及永續性投資如何為這些目標做出貢獻？**

基金可以分配給任何類型的永續性投資，如具有環境和/或社會目標的投資。本基金並無偏好於任何特定類型的永續性投資。

投資管理機構使用一系列基於可用數據的專有檢測，以確定某項投資是否及如何對環境和社會目標做出積極貢獻。

主要不利衝擊是指投資決策對環境、社會和員工事務、人權尊重、反貪腐與反賄賂事務等永續性因素所造成的重大負面影響。

- **金融產品部分擬進行的永續性投資如何不對任何環境或社會的永續性投資目標造成重大損害？**

本基金擬進行的永續性投資不會對任何環境或社會的永續性投資目標造成傷害，因這些投資須通過一系列檢測，包含：

1. 投資是否大量曝險於投資管理機構認為有傷害性的商業行為
2. 被認為使投資不符永續性發展的主要不利衝擊指標（違反聯合國全球盟約原則或OECD跨國企業準則的行為、主權國家的社會違規行為，如受到制裁、對生物多樣性敏感地區的負面影響）
3. 其他主要不利衝擊指標構成實質性評估的一部份，以了解任何曝險是否符合永續性投資的要求。

- **永續性因素的不利衝擊指標如何被考慮？**

投資管理機構之研究過程包含考慮所有具可用數據之投資（不僅是永續性投資）之主要不利衝擊指標，這使得投資管理機構能做出有根據的投資決策。

本基金對主要不利衝擊指標的考慮，係作為了解基金投資標的其經營方式之一部份。

基金之投資標的將持續接受監測和季度審查。

有關投資管理機構有關考慮主要不利衝擊指標之更多信息，請參閱投資管理機構網站上所揭露之基金附件資料。

- **永續性投資如何符合OECD多國企業指導綱領及聯合國工商企業與人權指導原則？**

基金購買的所有投資必須通過投資管理機構的良好治理檢測，此外，永續性投資也必須通過此檢測，以確保它們沒有重大傷害，如上所述。檢測包含對OECD指導綱領及聯合國指導原則的考量。

歐盟分類法訂立「不造成重大損害」原則。根據本原則，遵守分類法的投資不應嚴重損害歐盟分類法的目標，並附有具體的歐盟標準。

「不造成重大損害」原則只適用於考慮歐盟環境永續經濟活動標準的金融產品投資。該金融商品其餘投資並不考慮歐盟環境永續經濟活動標準。

任何其他永續性投資同樣不得對環境或社會目標有重大傷害。



本金融產品是否考慮對永續性因素的主要不利衝擊？

- ☒ 是，對於永續性投資來說，主要不利衝擊為評估該投資是否造成重大傷害（如上文所解釋）的一關鍵環節。對於其他投資來說，投資管理機構的研究過程包含針對所有具可用數據的投資之主要不利衝擊指標的考慮，使投資管理機構能做出明智的投資決策（如同上文所解釋的）。

有關投資管理機構所考量主要不利衝擊指標之更多資訊，請參閱投資管理機構網站揭露之基金附件內容。本基金的年報亦將提供主要不利衝擊如何被考量之資訊。

☐ 否



本金融產品遵循什麼投資策略？

對ESG因素的考慮完全整合入分析及投資決策。

為了識別購買的資產，投資管理機構用下列方法縮小投資範圍：

1. 在ESG分類標準列出的排除項目將被篩選排除
2. 接著，投資管理機構將進一步分析，包含對ESG因素的考慮，以辨識及利用投資機會。投資管理機構偏好具有較好ESG特徵的發行人，這並不會妨礙對財務投資目標的追求。此過程通常能使投資組合具有更好的ESG特徵。在建構偏好較佳ESG特徵的投資組合時，投資管理機構仍可能投資於各種不同ESG評等的投資。
3. 投資管理機構將接著執行更進一步的分析，在追求本基金的財務目標下，同時考慮這些公司的估值及適合購買的時間。

本基金的ESG分類標準適用於至少：

- 90%由已開發國家之大型資本公司發行的股票；債務證券、投資等級的貨幣市場工具；和由已開發國家發行的主權債券。
- 75%由開發中國家之大型資本公司發行的股票；由任何國家之中小型資本公司發行的股票；債務證券、投資等級的貨幣市場工具；和由開發中國家發行的主權債券。

投資策略引導基於投資目標、風險管理等因素的投資決策。

● 實現本金融產品所倡導之所有環境或社會特徵時，投資策略的約束性要素為何？

以下為約束性要素，作為該基金之部分投資策略：

- 本基金所排除的投資
- 本基金的正面ESG傾向
- 與本基金所提倡之環境和/或社會特徵相一致的數額，如同「本金融產品計畫的資產分配為何？」一節中所述
- 永續性投資的最低水準，如同如「本金融產品計畫的資產分配為何？」一節中所述

在符合投資者最佳利益的情況下，本基金可能會暫時偏離一個或多個上述之要素。舉例來說，投資管理機構可能會認為在目前市場條件下持有高水位的現金較為恰當。

● 在應用特定投資策略前，用以縮小考慮的投資範圍之承諾最低利率為何？

0%

良好治理實踐包含健全的管理結構、員工關係、員工薪酬和稅務遵循。

● 用以評估投資標的公司之良好治理實踐的政策有哪些？

投資管理機構考慮投資公司時，會使用以數據驅動的量化良好治理檢測以評估之。M&G會排除被認為未能通過良好治理檢測的證券投資。在評估良好治理實踐時，投資管理機構至少會考慮良好治理的四大支柱（健全的管理結構、員工關係、員工薪酬與稅務遵循）等相關事項。



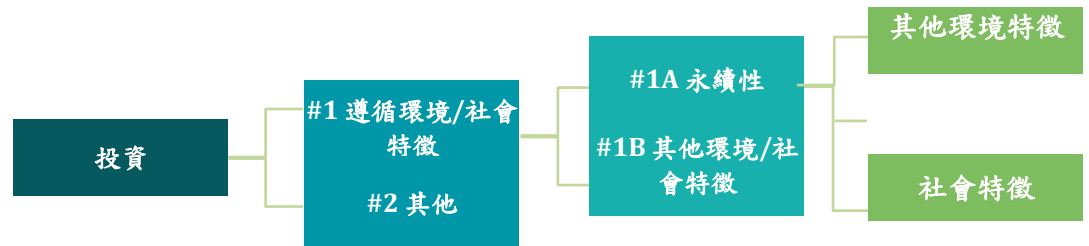
本金融產品計畫的資產分配為何？

投資管理機構計劃本基金將有至少70%的投資會遵循對環境/社會特徵的提倡，至少有20%的投資屬於永續性投資。

資產分配指於特定資產的投資份額。

遵循分類法的活動能被表示成以下幾類：

- **營收**反映投資標的公司由綠色活動所產生的營收份額。
- **資本支出（CapEx）**反映投資標的公司的綠色投資，如對綠色經濟的轉換。
- **營運支出（OpEx）**反映投資標的公司的綠色營運活動。



- #1遵循環境/社會特徵包含用於實現環境或社會特徵的金融產品投資。
- #2其他包含剩下的金融產品投資，產品既不遵循環境和社會特徵，也非被分類為永續性投資。
- 分類#1遵循環境/社會特徵包含：
 - 子分類#1A永續性包含擁有環境及社會目標的永續性投資
 - 子分類#1B其他環境/社會特徵包含非歸類為永續性投資之投資。

● 衍生性商品的使用如何達成本金融產品所提倡的環境或社會特徵？

衍生性商品並沒有為了達成環境和/或社會特徵而被使用。



永續投資中，具有環境目標之投資與歐盟分類法有多少最低程度之一致性？

0%

雖然最低強制性可分類環境永續投資比例為0%，但基金可分配到此類投資，並將其作為整體永續投資中具有環境目標之一部分。

● 該金融產品是否投資於符合歐盟分類法的化石燃氣和/或核能相關活動？

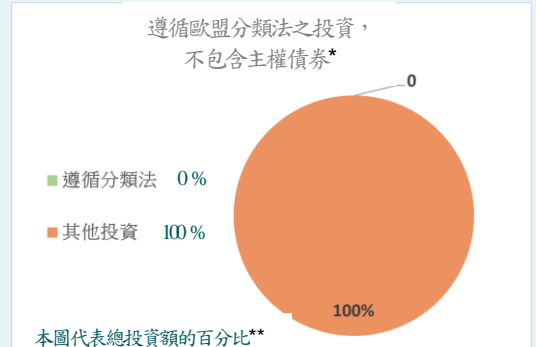
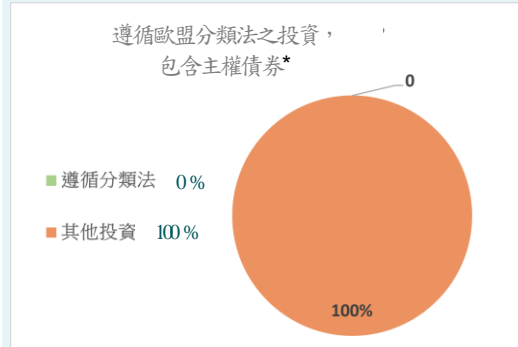
- ☐ 是：☐ 化石燃氣 ☐ 核能
- ☒ 否

僅當化石燃氣和/或核能相關活動有助於限制氣候變化（“氣候變化減緩”），並且不會對任何歐盟分類法目標造成重大損害時，這些活動才符合歐盟分類法。請參見左邊的說明註釋。符合歐盟分類法的化石燃料和核能經濟活動的完整標準已在Commission Delegated Regulation (EU) 2022/1214中明確規定。

扶持活動直接扶持其他活動，使其對環境目標有顯著貢獻。

過渡性活動為低碳替代方案還未適用時所進行的活動，其相較其他活動有最佳的溫室氣體排放表現。

以下兩張圖表顯示遵循歐盟分類法之最低投資比例。由於沒有適當方法以確定主權債券之遵循程度，第一張圖顯示所有與包含主權債券在內所有金融商品有關投資之遵循程度，第二張圖僅顯示不含主權債券在內所有與金融產品有關投資之遵循程度。



* 出於上方圖表之目的，「主權債券」包括所有主權曝險

** 由於沒有分類標準，若排除主權債券（即分類標準投資百分比保持為0%），並不會對圖表產生影響，因此管理機構認為無需提及此信息。

● 對扶持活動和過渡性活動投資的最小比例為何？

0%



指沒有考慮歐盟分類法針對環境永續性經濟活動的指標之環境永續性投資。



具不遵循歐盟分類法的環境目標之永續性投資的最小比例為何？

5%



對社會永續性投資的最小比例為何？

5%



什麼投資被分類於「#2 其他」？它們的目的為何？是否有任何最低限度的環境或社會保障措施？

本於基金投資政策所允許的目的，本基金可持有現金、約當現金和貨幣市場基金以及作為「其他」投資之衍生性商品。除了下述說明以外，並不適用最低限度的環境或社會保障措施。

用於使投資曝險於多元化金融指數（不包含技術性交易）和基金（及UCITS和其他UCI）的之投資風險的衍生性商品，能以基金投資政策允許的任何理由所持有，並將接受投資管理機構認為適當的最低環境或社會保障檢測，例如最低加權ESG得分檢測。

當資料不足以辨識投資是否遵循被提倡的特徵時，本基金也可能會持有「其他」投資。

本基金也有可能持有不遵循被提倡的特徵之投資，例如：由於併購或其他企業行為，或由於之前取得的投資產生變化。當上述情況發生時，本基金在符合股東最佳利益的情況下，嘗試賣出資產，但不一定總會立即行動。



是否有一個特定的指數被指定作為參考指標，以確認本金融產品有遵循其所倡導的環境和/或社會特徵？

否

- 參考指標如何持續地與本金融產品所倡導的環境和/或社會特徵保持一致？

不適用

- 如何持續地確保投資策略與該指數遵循方法保持一致？

不適用

- 該指定指數與大盤指數有何不同？

不適用

- 哪裡可以找到用於計算該指定指數的方法？

不適用

參考指標為用以衡量金融產品是否達成其提倡的環境與社會特徵之指數。



我在哪裡可以找到更多的產品詳細資訊？

更多的產品詳細資訊請參閱網站：

www.mandg.com/country-specific-fund-literature

產品名稱: M&G ESG 巴黎協議全球永續股票基金
法人機構識別碼: 549300IT00LV3HDN7Z63

環境及/或社會特徵

本金融商品是否具有永續投資目標？

☒ 是

☐ 否

☒ 將進行最低度的環境目標永續投資:80%

☐ 具有提倡環境/社會(E/S)特徵，雖無將永續投資作為目標，惟其至少占永續投資之20%

☐ 符合歐盟分類法的環境永續經濟活動

☐ 經濟活動之環境目標，符合歐盟分類法之環境永續性

☒ 不符合歐盟分類法的環境永續經濟活動

☐ 經濟活動之環境目標，不符合歐盟分類法之環境永續性

☐ 具有社會目標

☐ 將進行最低度的社會目標永續投資

☐ 具有提倡E/S特徵，但不做任何永續投資

永續投資是指對一項經濟活動的投資，該活動有助於環境或社會目標的實現，前提是該投資不會對任何環境或社會目標造成重大損害，且被投資公司遵循良好的治理實踐。

歐盟分類法是法規 (EU) 2020/852 中規定的分類系統，建立了**環境永續經濟活動清單**。該法規不包括社會永續經濟活動的清單。具有環境目標的永續投資可能與分類法一致或不一致。

永續性指標係衡量該金融產品所提倡之環境或社會特徵被實踐的程度。



本產品的永續性投資目標為何？

投資於對巴黎協議氣候變遷目標有貢獻的公司。

● 本產品使用什麼永續性指標衡量產品所倡導之所有環境和/或社會特徵的實踐情況？

基金層面的永續性指標：

- 致力於實現「科學基礎減量目標」(SBTs)之資產占總資產淨值之百分比
- 已獲「科學基礎減量目標」批准之資產占總資產淨值之百分比
- 參與「氣候相關財務揭露」(TCFD)之資產占總資產淨值之百分比
- 生產之可再生能源總量(千度)
- 基金相對於投資範疇WACI之加權平均碳濃度(WACI)

有關該基金的排除內容的更多信息，請參閱基金的網站揭露，您可以通過以下網址獲取 www.mandg.com/country-specific-fund-literature。

證券層面的永續性指標：

- 避免碳排放—藉由產品與服務，為氣候變遷提供直接解決方案之公司

● 金融產品部分擬進行的永續性投資如何不對任何環境或社會的永續性投資目標造成重大損害？

本基金擬進行的永續性投資不會對任何環境或社會的永續性投資目標造成傷害，因這些投資須通過一系列檢測，包含：

1. 投資是否大量曝險於投資管理機構認為有傷害性的商業行為

主要不利衝擊是指投資決策對環境、社會和員工事務、人權尊重、反貪腐與反賄賂事務等永續性因素所造成的重大負面影響。

2. 被認為使投資不符永續性發展的主要不利衝擊指標（違反聯合國全球盟約原則或OECD多國企業指導綱領的行為、主權國家的社會違規行為，如受到制裁、對生物多樣性敏感地區的負面影響）
3. 其他主要不利衝擊指標構成實質性評估的一部分，以了解任何曝險是否符合永續性投資的要求

- **永續性因素的不利衝擊指標如何被考慮？**

投資管理機構之研究過程包含考慮所有具可用數據之投資（不僅是永續性投資）之主要不利衝擊指標，這使得投資管理機構能做出有根據的投資決策。

本基金對主要不利衝擊指標的考慮，係作為了解基金投資標的其經營方式之一部份。

基金之投資標的將持續接受監測和季度審查。

有關投資管理機構有關考慮主要不利衝擊指標之更多信息，請參閱投資管理機構網站上所揭露之基金附件資料。

- **永續性投資如何符合OECD多國企業指導綱領及聯合國工商企業與人權指導原則？**

基金購買的所有投資必須通過投資管理機構的良好治理檢測，此外，永續性投資也必須通過此檢測，以確保它們沒有重大傷害，如上所述。檢測包含對OECD指導綱領及聯合國指導原則的考量。



本金融產品是否考慮對永續性因素的主要不利衝擊？

- ☒ 是，對於永續性投資來說，主要不利衝擊為評估該投資是否造成重大傷害（如上文所解釋）的一關鍵環節。對於其他投資來說，投資管理機構的研究過程包含針對所有具可用數據的投資之主要不利衝擊指標的考慮，使投資管理機構能做出明智的投資決策（如同上文所解釋的）。

有關投資管理機構所考量主要不利衝擊指標之更多資訊，請參閱投資管理機構網站揭露之基金附件內容。本基金的年報亦將提供主要不利衝擊如何被考量之資訊。

☐ 否



投資策略引導基於投資目標、風險管理等因素的投資決策。

本金融產品遵循什麼投資策略？

本基金投資於低碳濃度公司，及降低碳濃度公司。

低碳濃度公司之碳濃度低於50%的基金投資範圍之加權平均碳濃度，同時持續致力於去碳化。

降低碳濃度公司具有符合巴黎協議基於科學之減碳目標，或已承諾將在未來一段時機設立目標，同時持續致力於去碳化。

本基金也考慮非強制性因素，例如公司是否為氣候變遷挑戰提供解決方案。

本基金通常有一個加權平均碳濃度，其將少於投資範圍的一半（「正面ESG結果」）。

包括ESG在內之永續性考慮因素已完全整合入分析和投資決策中，並在確定投資範圍和建構投資組合方面發揮重要作用。

為了識別購買的資產，投資管理機構用下列方法縮小投資範圍：

1. 在ESG分類標準列出的排除項目將被篩選排除。
2. 接著，投資管理機構將評估剩餘公司的永續性資格。潛在投資標的將依據其碳濃度，以及其是否為氣候變遷挑戰提供解決方案來分類。投資管理機構透過內部及外部研究，結合評估ESG因素之質化與量化方法，來分析這些公司，並建立一個被評估具有永續性商業模型之公司觀察名單。
3. 投資管理機構將接著執行更進一步的分析，在追求本基金的財務目標下，同時考慮這些公司的估值及適合購買的時間。投資管理機構偏好具有較低碳濃度的發行人，這並不會妨礙對財務投資目標的追求。此過程通常能使投資組合的碳濃度低於其投資範圍碳濃度的一半。在建構偏好較低碳濃度的投資組合時，投資管理機構仍可能投資於各種不同碳濃度的投資。本基金的計算方法不包含不具有碳濃度資料的證券，或是現金、約當現金、部分衍生性商品及部分集合投資計畫。

● 實現本金融產品所倡導之所有環境或社會特徵時，投資策略的約束性要素為何？

以下為約束性要素，作為該基金之部分投資策略：

- 本基金所排除的投資
- 本基金的資產分配，如同「本金融產品計畫的資產分配為何？」一節中所述
- 永續性投資的最低水準，如同「本金融產品計畫的資產分配為何？」一節中所述。請注意，具有環境目標之永續投資的最低比例與歐盟分類法不一致，如果持有少於該最低比例的原因為持有與分類法一致的投資（因所有這些投資都為具環境目標的永續投資），則不具有約束力。

在符合投資者最佳利益的情況下，本基金可能會暫時偏離一個或多個上述之要素。舉例來說，投資管理機構可能會認為在目前市場條件下持有高水位的現金較為恰當。

良好治理實踐包含健全的管理結構、員工關係、員工薪酬和稅務遵循。

● 用以評估投資標的公司之良好治理實踐的政策有哪些？

投資管理機構考慮投資公司時，會使用以數據驅動的量化良好治理檢測以評估之。M&G會排除被認為未能通過良好治理檢測的證券投資。在評估良好治理實踐時，投資管理機構至少會考慮良好治理的四大支柱（健全的管理結構、員工關係、員工薪酬與稅務遵循）等相關事項。



本金融產品計畫的資產分配為何？

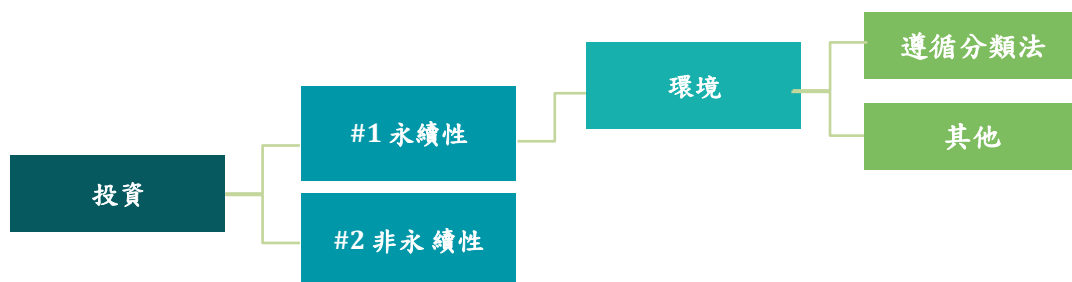
投資管理機構計劃本基金將有至少80%的投資屬於永續性投資，以追求環境永續性投資的目標。

本基金並無要求偏好任何特定種類的环境永續性投資。

資產分配指於特定資產的投資份額。

遵循分類法的活動能被表示成以下幾類：

- **營收**反映投資標的公司由綠色活動所產生的營收份額。
- **資本支出**反映投資標的公司的綠色投資，如對綠色經濟的轉換。
- **營運支出**反映投資標的公司的綠色營運活動。



- #1永續性包含具有環境及社會目標的永續性投資。
- #2非永續性包含不符永續性資格的投資。

● 如何利用衍生性商品的達成本金融產品所提倡的環境或社會特徵？

衍生性商品並沒有為了達成環境和/或社會特徵而被使用。



永續投資中，具有環境目標之投資與歐盟分類法有多少最低程度之一致性？

雖然最低強制性可分類環境永續投資比例為0%，但基金可分配到此類投資，並將其作為整體永續投資中具有環境目標之一部分。

● 該金融產品是否投資於符合歐盟分類法的化石燃氣和/或核能相關活動？

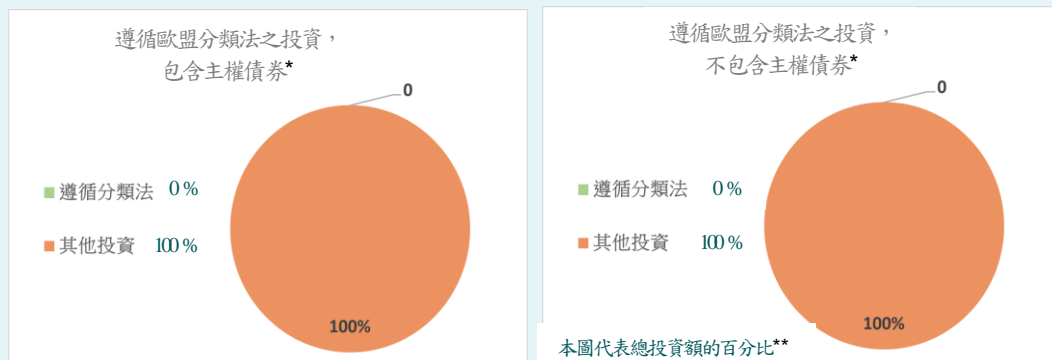
- ☐ 是：☐ 化石燃氣 ☐ 核能
- ☒ 否

僅當化石燃氣和/或核能相關活動有助於限制氣候變化（“氣候變化減緩”），並且不會對任何歐盟分類法目標造成重大損害時，這些活動才符合歐盟分類法。請參見左邊的說明註釋。符合歐盟分類法的化石燃料和核能經濟活動的完整標準已在Commission Delegated Regulation (EU) 2022/1214中明確規定。

扶持活動直接扶持其他活動，使其對環境目標有顯著貢獻。

過渡性活動為低碳替代方案還未適用時所進行的活動，其相較其他活動有最佳的溫室氣體排放表現。

以下兩張圖表顯示遵循歐盟分類法之最低投資比例。由於沒有適當方法以確定主權債券之遵循程度，第一張圖顯示所有與包含主權債券在內所有金融商品有關投資之遵循程度，第二張圖僅顯示不含主權債券在內所有與金融產品有關投資之遵循程度。



*出於上方圖表之目的，「主權債券」包括所有主權曝險

**由於沒有分類標準，若排除主權債券（即分類標準投資百分比保持為0%），並不會對圖表產生影響，因此管理機構認為無需提及此信息。

● 對扶持活動和過渡性活動投資的最小比例為何？

0%

指沒有考慮歐盟分類法針對環境永續性經濟活動的指標之環境永續性投資。



● 具不遵循歐盟分類法的環境目標之永續性投資的最小比例為何？

80%



● 對社會永續性投資的最小比例為何？

0%



● 什麼投資被分類於「#2 其他」？它們的目的為何？是否有任何最低限度的環境或社會保障措施？

為了避險目的或為了輔助流動性所持有的現金有關。本基金可持有現金、約當現金、貨幣市場基金以及作為「其他」投資之衍生性商品。除了下述說明以外，並不適用最低限度的環境或社會保障措施。

當衍生性商品被用於使投資曝險於多元化金融指數時，其將接受投資管理機構認為適當的最低環境或社會保障檢測，例如最低加權ESG得分檢測。

本基金也有可能持有不遵循被提倡的特徵之投資，例如：由於併購或其他企業行為，或由於之前取得的投資產生變化。當上述情況發生時，本基金在符合股東最佳利益的情況下，嘗試賣出資產，但不一定總會立即行動。



● 是否有一個特定的指數被指定作為參考指標，以確定本金融產品有遵循其所倡導的環境和/或社會特徵？

否

● 參考指標如何持續地與本金融產品所倡導的環境和/或社會特徵保持一致？

不適用

參考指標為用以衡量金融產品是否達成其提倡的環境與社會特徵之指數。

- 如何持續地確保投資策略與該指數遵循方法保持一致？

不適用

- 該指定指數與大盤指數有何不同？

不適用

- 哪裡可以找到用於計算該指定指數的方法？

不適用



我在哪裡可以找到更多的產品詳細資訊？
更多的產品詳細資訊請參閱網站：
www.mandg.com/country-specific-fund-literature

產品名稱: M&G 入息基金
法人機構識別碼: 5493009TGYUIY117XO13

環境及/或社會特徵

本金融商品是否具有永續投資目標？

☒ 是

☒ 否

☐ 將進行最低度的環境目標永續投資：

☐ 符合歐盟分類法的環境永續經濟活動

☐ 不符合歐盟分類法的環境永續經濟活動

☐ 將進行最低度的社會目標永續投資：

☒ 具有提倡環境/社會(E/S)特徵，雖無將永續投資作為目標，惟其至少占永續投資之20%

☐ 經濟活動之環境目標，符合歐盟分類法之環境永續性

☒ 經濟活動之環境目標，不符合歐盟分類法之環境永續性

☒ 具有社會目標

☐ 具有提倡E/S特徵，但不做任何永續投資

永續投資是指對一項經濟活動的投資，該活動有助於環境或社會目標的實現，前提是該投資不會對任何環境或社會目標造成重大損害，且被投資公司遵循良好的治理實踐。

歐盟分類法是法規 (EU) 2020/852 中規定的分類系統，建立了**環境永續經濟活動清單**。該法規不包括社會永續經濟活動的清單。具有環境目標的永續投資可能與分類法一致或不一致。



該金融產品提倡哪些環境及/或社會特徵？

本基金提倡使用排除法（定義如下）：

本基金將某些可能的投資從其投資範圍中排除，以減少對環境和社會的潛在負面影響。對於證券化投資，如資產支持證券（ABS），還將根據投資經理的專有評分方法進行評估。現金可能被視為符合「排除方法」的特點，當現金存放在機構或投資於通過投資經理ESG質量閾值的貨幣市場基金中時（「排除方法」）。因此，投資管理機構藉由排除某些被認為對ESG因子有害之投資，來促進環境及/或社會特徵。

有關該基金的排除內容的更多信息，請參閱基金的網站揭露，您可以通過以下網址獲取 www.mandg.com/country-specific-fund-literature。

為達到基金所提倡的環境和/或社會特徵，基金並沒有設定績效標準。

● 本產品使用什麼永續性指標衡量產品所倡導之所有環境和/或社會特徵的實踐情況？

選擇用以展現所倡導之環境和/或社會特徵之實踐情況的永續性指標為：

- 排除法：被排除的投資占總資產淨值之百分比
- 排除法：低於投資管理機構所遵循門檻之ABS占總資產淨值之百分比

永續性指標係衡量該金融產品所提倡之環境或社會特徵被實踐的程度。

- **金融產品部分擬進行的永續性投資的目標是什麼？以及永續性投資如何為這些目標做出貢獻？**

基金可以分配給任何類型的永續性投資，如具有環境及/或社會目標的投資。本基金並無偏好於任何特定類型的永續性投資。

投資管理機構使用一系列基於可用數據的專有檢測，以確定某項投資是否及如何對環境和社會目標做出積極貢獻。

主要不利衝擊是指投資決策對環境、社會和員工事務、人權尊重、反貪腐與反賄賂事務等永續性因素所造成之重大負面影響。

- **金融產品部分擬進行的永續性投資如何不對任何環境或社會的永續性投資目標造成重大損害？**

本基金擬進行的永續性投資不會對任何環境或社會的永續性投資目標造成傷害，因這些投資須通過一系列檢測，包含：

1. 投資是否大量曝險於投資管理機構認為有傷害性的商業行為
2. 被認為使投資不符永續性發展的主要不利衝擊指標（違反聯合國全球盟約原則或OECD多國企業指導綱領的行為、主權國家的社會違規行為，如受到制裁、對生物多樣性敏感地區的負面影響）
3. 其他主要不利衝擊指標構成實質性評估的一部份，以了解任何曝險是否符合永續性投資的要求。

- **永續性因素的不利衝擊指標如何被考慮？**

投資管理機構的研究過程包含考慮所有具可用數據之投資（不僅是永續性投資）之主要不利衝擊指標，這使投資管理機構能做出明智的投資決策。

本基金對主要不利衝擊指標的考慮，是作為了解基金購買投資標的之經營方式之一部份。

基金所持有的投資標的將持續接受監測和季度審查。

有關投資管理機構更多有關考慮主要不利衝擊指標之信息，請參閱投資管理機構網站上所揭露之基金附件資料。

- **永續性投資如何符合OECD多國企業指導綱領及聯合國工商企業與人權指導原則？**

基金購買的所有投資必須通過投資管理機構的良好治理檢測，此外，永續性投資也必須通過此檢測，以確保它們沒有重大傷害，如上所述。檢測包含對OECD指導綱領及聯合國指導原則的考量。

歐盟分類法訂立「不造成重大損害」原則。根據本原則，遵守分類法的投資不應嚴重損害歐盟分類法的目標，並附有具體的歐盟標準。

「不造成重大損害」原則只適用於考慮歐盟環境永續經濟活動標準的金融產品投資。其餘的金融商品投資並不考慮歐盟環境永續經濟活動標準。

任何其他永續性投資同樣不得對環境或社會目標有重大傷害。



本金融產品是否考慮對永續性因素的主要不利衝擊？

- ☒ 是，對於永續性投資來說，主要不利衝擊為評估該投資是否造成重大傷害（如上文所解釋）的一關鍵環節。對於其他投資來說，投資管理機構的研究過程包含針對所有具可用數據的投資之主要不利衝擊指標的考慮，使投資管理機構能做出明智的投資決策（如同上文所解釋）。

有關投資管理機構所考量主要不利衝擊指標之更多資訊，請參閱投資管理機構網站揭露之基金附件內容。本基金的年報亦將提供主要不利衝擊如何被考量之資訊。

☐ 否



本金融產品遵循什麼投資策略？

對ESG因素的考慮完全整合入分析及投資決策。

為了識別購買的資產，投資管理機構用下列方法縮小投資範圍：

1. 在ESG分類標準列出的排除項目將被篩選排除
2. 在此縮小後的投資範圍中，投資管理機構依照上述過程，在不同資產之間進行資本分配。投資管理機構在每種資產分類皆會執行更進一步的分析，包含對ESG因素的考慮，以識別及利用投資機會。

本基金的ESG分類標準適用於至少：

- 90%由已開發國家之大型資本公司發行的股票；債務證券、投資等級的貨幣市場工具；和由已開發國家發行的主權債券。
- 75%由開發中國家之大型資本公司發行的股票；由任何國家之中小型資本公司發行的股票；債務證券、投資等級的貨幣市場工具；和由開發中國家發行的主權債券。

● 實現本金融產品所倡導之所有環境或社會特徵時，投資策略的約束性要素為何？

以下為約束性要素，作為該基金之部分投資策略：

- 本基金所排除的投資
- 與本基金所提倡之環境和/或社會特徵相一致的數額，如同「本金融產品計畫的資產分配為何？」一節中所述。
- 永續性投資的最低水準，如同「本金融產品計畫的資產分配為何？」一節中所述。

在符合投資者最佳利益的情況下，本基金可能會暫時偏離一個或多個上述之要素。舉例來說，投資管理機構可能會認為在目前市場條件下持有高水位的現金較為恰當。

● 在應用特定投資策略前，用以縮小考慮的投資範圍之承諾最低利率為何？

0%

投資策略引導基於投資目標、風險管理等因素的投資決策。

良好治理實踐包含健全的管理結構、員工關係、員工薪酬和稅務遵循。

● 用以評估投資標的公司之良好治理實踐的政策有哪些？

投資管理機構考慮投資公司時，會使用以數據驅動的量化良好治理檢測以評估之。M&G會排除被認為未能通過良好治理檢測的證券投資。在評估良好治理實踐時，投資管理機構至少會考慮良好治理的四大支柱（健全的管理結構、員工關係、員工薪酬與稅務遵循）等相關事項。



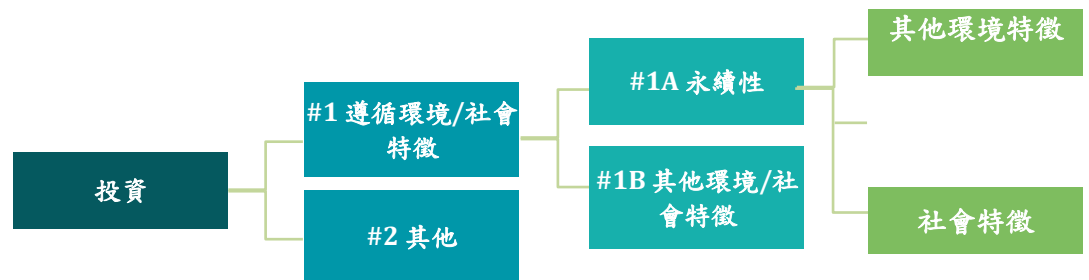
本金融產品計畫的資產分配為何？

投資管理機構計劃本基金將有至少70%的投資會遵循對環境/社會特徵的提倡，至少有20%的投資屬於永續性投資。

資產分配指於特定資產的投資份額。

遵循分類法的活動能被表示成以下幾類：

- **營收**反映投資標的公司由綠色活動所產生的營收份額。
- **資本支出**反映投資標的公司的綠色投資，如對綠色經濟的轉換。
- **營運支出**反映投資標的公司的綠色營運活動。



- #1遵循環境/社會特徵包含用於實現環境或社會特徵的金融產品投資。
- #2其他包含剩下的金融產品投資，產品既不遵循環境和社會特徵，也非被分類為永續性投資。
- 分類#1遵循環境/社會特徵包含：
 - 子分類#1A永續性包含擁有環境及社會目標的永續性投資
 - 子分類#1B其他環境/社會特徵包含非歸類為永續性投資之投資。

● 衍生性商品的使用如何達成本金融產品所提倡的環境或社會特徵？

根據以下情形來考慮，衍生性商品可能與所提倡之環境和/或社會特徵相一致：

排除：

- 1 若衍生性商品代表對單一名稱之曝險，則該名稱須為基金所允許之投資。
- 2 若衍生性商品代表對多元化金融指數之曝險，則須提出具有可證明與所提倡特徵相一致性之特性。



具遵循歐盟分類法的環境目標之永續性投資的最小比例為何？

0%

儘管對符合分類法之永續性投資的最低投資比例為0%，本基金已獲得能投資此類資產的許可，這將使其部分資產分配至具有環境目標的永續性投資。



該金融產品是否投資於符合歐盟分類法的化石燃氣和/或核能相關活動？

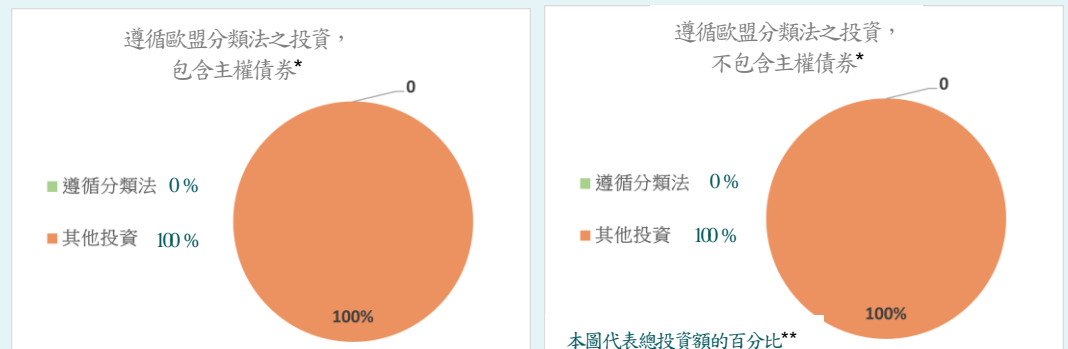
☐ 是：☐ 化石燃氣 ☐ 核能
☒ 否

僅當化石燃氣和/或核能相關活動有助於限制氣候變化("氣候變化減緩")，並且不會對任何歐盟分類法目標造成重大損害時，這些活動才符合歐盟分類法。請參見左邊的說明註釋。符合歐盟分類法的化石燃料和核能經濟活動的完整標準已在Commission Delegated Regulation (EU) 2022/1214中明確規定。

扶持活動直接扶持其他活動，使其對環境目標有顯著貢獻。

過渡性活動為低碳替代方案還未適用時所進行的活動，其相較其他活動有最佳的溫室氣體排放表現。

以下兩張圖表顯示遵循歐盟分類法之最低投資比例。由於沒有適當方法以確定主權債券之遵循程度，第一張圖顯示所有與包含主權債券在內所有金融商品有關投資之遵循程度，第二張圖僅顯示不含主權債券在內所有與金融產品有關投資之遵循程度。



*出於上方圖表之目的，「主權債券」包括所有主權曝險

**由於沒有分類標準，若排除主權債券（即分類標準投資百分比保持為0%），並不會對圖表產生影響，因此管理機構認為無需提及此信息。



對扶持活動和過渡性活動投資的最小比例為何？

0%



指沒有考慮歐盟分類法針對環境永續性經濟活動的指標之環境永續性投資。



具不遵循歐盟分類法的環境目標之永續性投資的最小比例為何？

5%



對社會永續性投資的最小比例為何？

5%



什麼投資被分類於「#2 其他」？它們的目的為何？是否有任何最低限度的環境或社會保障措施？

本於基金投資政策所允許的任何目的，本基金可持有現金、約當現金和貨幣市場基金、外匯、利率衍生性商品和作為「其他」投資之類似衍生性商品（可能包括特定的技術性交易，如用於期限

交易的政府公債期貨）。本基金不適用最低限度的環境或社會保障措施。

用於使投資曝險於多元化金融指數（不包含技術性交易）和基金（及UCITS和其他UCI）的之投資風險的衍生性商品，能以基金投資政策允許的任何理由所持有，並將接受投資管理機構認為適當的最低環境或社會保障檢測，例如最低加權ESG得分檢測。

當資料不足以辨識投資是否遵循被提倡的特徵時，本基金也可能會持有「其他」投資。

本基金也有可能持有不遵循被提倡的特徵之投資，例如：由於併購或其他企業行為，或由於之前取得的投資產生變化。當上述情況發生時，本基金在符合股東最佳利益的情況下，嘗試賣出資產，但不一定總會立即行動。



是否有一個特定的指數被指定作為參考指標，以確定本金融產品有遵循其所倡導的環境和/或社會特徵？

否

- 參考指標如何持續地與本金融產品所倡導的環境和/或社會特徵保持一致？

不適用

- 如何持續地確保投資策略與該指數遵循方法保持一致？

不適用

- 該指定指數與大盤指數有何不同？

不適用

- 哪裡可以找到用於計算該指定指數的方法？

不適用

參考指標為用以衡量金融產品是否達成其提倡的環境與社會特徵之指數。



我在哪裡可以找到更多的產品詳細資訊？
更多的產品詳細資訊請參閱網站：
www.mandg.com/country-specific-fund-literature

產品名稱: M&G 日本基金
法人機構識別碼: 549300OR1ZG2XAP7AU07

環境及/或社會特徵

本金融商品是否具有永續投資目標？

● ● ☒ 是 ● ● ☒ 否

☐ 將進行最低度的環境目標永續投資：

☐ 符合歐盟分類法的環境永續經濟活動

☐ 不符合歐盟分類法的環境永續經濟活動

☐ 將進行最低度的社會目標永續投資：

☒ 具有提倡環境/社會(E/S)特徵，雖無將永續投資作為目標，惟其至少占永續投資之20%

☐ 經濟活動之環境目標，符合歐盟分類法之環境永續性

☒ 經濟活動之環境目標，不符合歐盟分類法之環境永續性

☒ 具有社會目標

☐ 具有提倡E/S特徵，但不做任何永續投資

永續投資是指對一項經濟活動的投資，該活動有助於環境或社會目標的實現，前提是該投資不會對任何環境或社會目標造成重大損害，且被投資公司遵循良好的治理實踐。

歐盟分類法是法規 (EU) 2020/852 中規定的分類系統，建立了**環境永續經濟活動清單**。該法規不包括社會永續經濟活動的清單。具有環境目標的永續投資可能與分類法一致或不一致。



該金融產品提倡哪些環境及/或社會特徵？

本基金提倡使用排除法與正面ESG傾向（定義如下）：

本基金自其投資範疇中排除了某些潛在的投資，以降低對於環境與社會的潛在負面影響（「排除法」）。因此，投資管理機構藉由排除某些被認為對ESG因素不利的投資，來促進某些環境和/或社會特徵。

本基金維持的加權平均ESG評等係符合下面兩點之一較低者：

- 高於其投資範圍所代表之證券市場
- 至少與MSCI A等級相等（「正面ESG傾向」）

在建構一個具有較佳ESG特徵之正面傾向投資組合時，投資管理機構可能會投資於所有具不同ESG評等之投資。在個別證券方面，只要不妨礙追求財務投資目標，投資管理機構傾向於具有較佳ESG特徵的投資。

有關該基金的排除內容的更多信息，請參閱基金的網站揭露，您可以通過以下網址獲取 www.mandg.com/country-specific-fund-literature。

為達到基金所提倡的環境和/或社會特徵，基金並沒有設定績效標準。

● 本產品使用什麼永續性指標衡量產品所倡導之所有環境和/或社會特徵的實踐情況？

選擇用以展現所倡導之環境和/或社會特徵之實踐情況的永續性指標為：

- 排除法：被排除的投資占總資產淨值之百分比
- 正面ESG傾向：投資組合的加權平均ESG評等與投資範圍的加權平均ESG評等比較，或與MSCI A評等的最低數值對應之ESG分數相比較。

永續性指標係衡量該金融產品所提倡之環境或社會特徵被實踐的程度。

- **金融產品部分擬進行的永續性投資的目標是什麼？以及永續性投資如何為這些目標做出貢獻？**

基金可以分配給任何類型的永續性投資，如具有環境和/或社會目標的投資。本基金並無偏好於任何特定類型的永續性投資。

投資管理機構使用一系列基於可用數據的專有檢測，以確定某項投資是否及如何對環境和社會目標做出積極貢獻。

主要不利衝擊是指投資決策對環境、社會和員工事務、人權尊重、反貪腐與反賄賂事務等永續性因素所造成的重大負面影響。

- **金融產品部分擬進行的永續性投資如何不對任何環境或社會的永續性投資目標造成重大損害？**

本基金擬進行的永續性投資不會對任何環境或社會的永續性投資目標造成傷害，因這些投資須通過一系列檢測，包含：

1. 投資是否大量曝險於投資管理機構認為有傷害性的商業行為
2. 被認為使投資不符永續性發展的主要不利衝擊指標（違反聯合國全球盟約原則或OECD多國企業指導綱領的行為、主權國家的社會違規行為，如受到制裁、對生物多樣性敏感地區的負面影響）
3. 其他主要不利衝擊指標構成實質性評估的一部份，以了解任何曝險是否符合永續性投資的要求。

- **永續性因素的不利衝擊指標如何被考慮？**

投資管理機構之研究過程包含考慮所有具可用數據之投資（不僅是永續性投資）之主要不利衝擊指標，這使得投資管理機構能做出有根據的投資決策。

本基金對主要不利衝擊指標的考慮，係作為了解基金投資標的其經營方式之一部份。

基金之投資標的將持續接受監測和季度審查。

有關投資管理機構有關考慮主要不利衝擊指標之更多信息，請參閱投資管理機構網站上所揭露之基金附件資料。

- **永續性投資如何符合OECD多國企業指導綱領及聯合國工商企業與人權指導原則？**

基金購買的所有投資必須通過投資管理機構的良好治理檢測，此外，永續性投資也必須通過此檢測，以確保它們沒有重大傷害，如上所述。檢測包含對OECD指導綱領及聯合國指導原則的考量。

歐盟分類法訂立「不造成重大損害」原則。根據本原則，遵守分類法的投資不應嚴重損害歐盟分類法的目標，並附有具體的歐盟標準。

「不造成重大損害」原則只適用於考慮歐盟環境永續經濟活動標準的金融產品投資。其餘的金融商品投資並不考慮歐盟環境永續經濟活動標準。

任何其他永續性投資同樣不得對環境或社會目標有重大傷害。



本金融產品是否考慮對永續性因素的主要不利衝擊？

- ☒ 是，對於永續性投資來說，主要不利衝擊為評估該投資是否造成重大傷害（如上文所解釋）的一關鍵環節。對於其他投資來說，投資管理機構的研究過程包含針對所有具可用數據的投資之主要不利衝擊指標的考慮，使投資管理機構能做出明智的投資決策（如同上文所解釋的）。

有關投資管理機構所考量主要不利衝擊指標之更多資訊，請參閱投資管理機構網站揭露之基金附件內容。本基金的年報亦將提供主要不利衝擊如何被考量之資訊。

☐ 否



本金融產品遵循什麼投資策略？

對ESG因素的考慮完全整合入分析及投資決策。

為了識別購買的資產，投資管理機構用下列方法縮小投資範圍：

1. 在ESG分類標準列出的排除項目將被篩選排除
2. 接著，投資管理機構將進一步分析，包含對ESG因素的考慮，以辨識及利用投資機會。投資管理機構偏好具有較好ESG特徵的發行人，這並不會妨礙對財務投資目標的追求。此過程通常能使投資組合具有更好的ESG特徵。在建構偏好較佳ESG特徵的投資組合時，投資管理機構仍可能投資於各種不同ESG評等的投資。
3. 投資管理機構將接著執行更進一步的分析，在追求本基金的財務目標下，同時考慮這些公司的估值及適合購買的時間。

本基金的ESG分類標準適用於至少：

- 90%由已開發國家之大型資本公司發行的股票；債務證券、投資等級的貨幣市場工具；和由已開發國家發行的主權債券。
- 75%由開發中國家之大型資本公司發行的股票；由任何國家之中小型資本公司發行的股票；債務證券、投資等級的貨幣市場工具；和由開發中國家發行的主權債券。

投資策略引導基於投資目標、風險管理等因素的投資決策。

● 實現本金融產品所倡導之所有環境或社會特徵時，投資策略的約束性要素為何？

以下為約束性要素，作為該基金之部分投資策略：

- 本基金所排除的投資
- 本基金的正面ESG傾向
- 與本基金所提倡之環境和/或社會特徵相一致的數額，如同「本金融產品計畫的資產分配為何？」一節中所述
- 永續性投資的最低水準，如同如「本金融產品計畫的資產分配為何？」一節中所述

在符合投資者最佳利益的情況下，本基金可能會暫時偏離一個或多個上述之要素。舉例來說，投資管理機構可能會認為在目前市場條件下持有高水位的現金較為恰當。

● 在應用特定投資策略前，用以縮小考慮的投資範圍之承諾最低利率為何？

0%

良好治理實踐包含健全的管理結構、員工關係、員工薪酬和稅務遵循。

● 用以評估投資標的公司之良好治理實踐的政策有哪些？

投資管理機構考慮投資公司時，會使用以數據驅動的量化良好治理檢測以評估之。M&G會排除被認為未能通過良好治理檢測的證券投資。在評估良好治理實踐時，投資管理機構至少會考慮良好治理的四大支柱（健全的管理結構、員工關係、員工薪酬與稅務遵循）等相關事項。



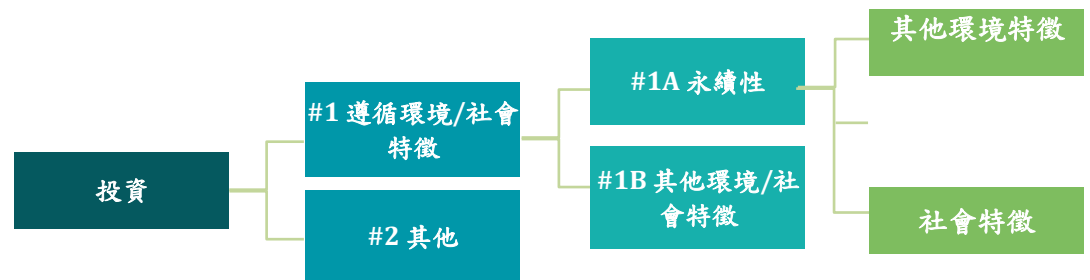
本金融產品計畫的資產分配為何？

投資管理機構計劃本基金將有至少70%的投資會遵循對環境/社會特徵的提倡，至少有20%的投資屬於永續性投資。

資產分配指於特定資產的投資份額。

遵循分類法的活動能被表示成以下幾類：

- **營收**反映投資標的公司由綠色活動所產生的營收份額。
- **資本支出**反映投資標的公司的綠色投資，如對綠色經濟的轉換。
- **營運支出**反映投資標的公司的綠色營運活動。



- #1遵循環境/社會特徵包含用於實現環境或社會特徵的金融產品投資。
- #2其他包含剩下的金融產品投資，產品既不遵循環境和社會特徵，也非被分類為永續性投資。
- 分類#1遵循環境/社會特徵包含：
 - 子分類#1A永續性包含擁有環境及社會目標的永續性投資
 - 子分類#1B其他環境/社會特徵包含非歸類為永續性投資之投資。

● 衍生性商品的使用如何達成本金融產品所提倡的環境或社會特徵？

衍生性商品並沒有為了達成環境和/或社會特徵而被使用。



永續投資中，具有環境目標之投資與歐盟分類法有多少最低程度之一致性？

雖然最低強制性可分類環境永續投資比例為0%，但基金可分配到此類投資，並將其作為整體永續投資中具有環境目標之一部分。

● 該金融產品是否投資於符合歐盟分類法的化石燃氣和/或核能相關活動？

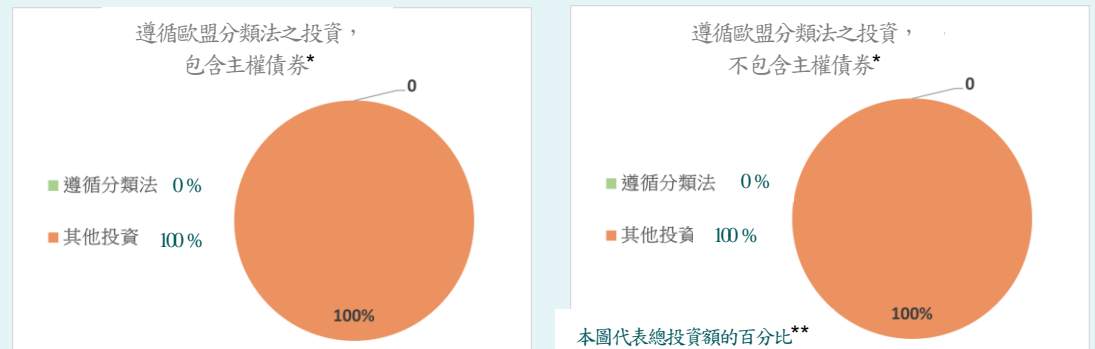
- ☐ 是：☐ 化石燃氣 ☐ 核能
- ☒ 否

僅當化石燃氣和/或核能相關活動有助於限制氣候變化（“氣候變化減緩”），並且不會對任何歐盟分類法目標造成重大損害時，這些活動才符合歐盟分類法。請參見左邊的說明註釋。符合歐盟分類法的化石燃料和核能經濟活動的完整標準已在Commission Delegated Regulation (EU) 2022/1214中明確規定。

扶持活動直接扶持其他活動，使其對環境目標有顯著貢獻。

過渡性活動為低碳替代方案還未適用時所進行的活動，其相較其他活動有最佳的溫室氣體排放表現。

以下兩張圖表顯示遵循歐盟分類法之最低投資比例。由於沒有適當方法以確定主權債券之遵循程度，第一張圖顯示所有與包含主權債券在內所有金融商品有關投資之遵循程度，第二張圖僅顯示不含主權債券在內所有與金融產品有關投資之遵循程度。



*出於上方圖表之目的，「主權債券」包括所有主權曝險

**由於沒有分類標準，若排除主權債券（即分類標準投資百分比保持為0%），並不會對圖表產生影響，因此管理機構認為無需提及此信息。

● 對扶持活動和過渡性活動投資的最小比例為何？

0%



指沒有考慮歐盟分類法針對環境永續性經濟活動的指標之環境永續性投資。



具不遵循歐盟分類法的環境目標之永續性投資的最小比例為何？

5%



對社會永續性投資的最小比例為何？

5%



什麼投資被分類於「#2 其他」？它們的目的為何？是否有任何最低限度的環境或社會保障措施？

本於基金投資政策所允許的目的，本基金可持有現金、約當現金、貨幣市場基金以及作為「其他」投資之衍生性商品。除了下述說明以外，本基金不適用最低限度的環境或社會保障措施。

用於使投資曝險於多元化金融指數（不包含技術性交易）和基金（及UCITS和其他UCI）的之投資風險的衍生性商品，能以基金投資政策允許的任何理由所持有，並將接受投資管理機構認為適當的最低環境或社會保障檢測，例如最低加權ESG得分檢測。

當資料不足以辨識投資是否遵循被提倡的特徵時，本基金也可能會持有「其他」投資。

本基金也有可能持有不遵循被提倡的特徵之投資，例如：由於併購或其他企業行為，或由於之前取得的投資產生變化。當上述情況發生時，本基金在符合股東最佳利益的情況下，嘗試賣出資產，但不一定總會立即行動。



是否有一個特定的指數被指定作為參考指標，以確定本金融產品有遵循其所倡導的環境和/或社會特徵？

否

- 參考指標如何持續地與本金融產品所倡導的環境和/或社會特徵保持一致？

不適用

- 如何持續地確保投資策略與該指數遵循方法保持一致？

不適用

- 該指定指數與大盤指數有何不同？

不適用

- 哪裡可以找到用於計算該指定指數的方法？

不適用

參考指標為用以衡量金融產品是否達成其提倡的環境與社會特徵之指數。



我在哪裡可以找到更多的產品詳細資訊？
更多的產品詳細資訊請參閱網站：

www.mandg.com/country-specific-fund-literature

產品名稱: M&G日本小型股基金
法人機構識別碼: 549300QUHQWF3GEVSU46

環境及/或社會特徵

本金融商品是否具有永續投資目標？

● ● ☒ 是 ● ● ☒ 否

☐ 將進行最低度的環境目標永續投資：

☐ 符合歐盟分類法的環境永續經濟活動

☐ 不符合歐盟分類法的環境永續經濟活動

☐ 將進行最低度的社會目標永續投資

☒ 具有提倡環境/社會(E/S)特徵，雖無將永續投資作為目標，惟其至少占永續投資之20%

☐ 經濟活動之環境目標，符合歐盟分類法之環境永續性

☒ 經濟活動之環境目標，不符合歐盟分類法之環境永續性

☒ 具有社會目標

☐ 具有提倡E/S特徵，但不做任何永續投資



該金融產品提倡哪些環境及/或社會特徵？

本基金提倡使用排除法與正面ESG傾向（定義如下）：

本基金自其投資範疇中排除了某些潛在的投資，以降低對於環境與社會的潛在負面影響（「排除法」）。對於證券化投資，如資產支持證券（ABS），還將根據投資經理的專有評分方法進行評估。現金可能被視為符合「排除方法」的特點，當現金存放在機構或投資於通過投資經理ESG質量閾值的貨幣市場基金中時（「排除方法」）。因此，投資管理機構藉由排除某些被認為對ESG因素不利的投資，來促進某些環境和/或社會特徵。

有關該基金的排除內容的更多信息，請參閱基金的網站揭露，您可以通過以下網址獲取 www.mandg.com/country-specific-fund-literature。

為達到基金所提倡的環境和/或社會特徵，基金並沒有設定績效標準。

● 本產品使用什麼永續性指標衡量產品所倡導之所有環境和/或社會特徵的實踐情況？

選擇用以展現所倡導之環境和/或社會特徵之實踐情況的永續性指標為：

- 排除法：被排除的投資占總資產淨值之百分比
- 正面ESG傾向：投資組合的加權平均ESG評等與投資範圍的加權平均ESG評等比較，或與MSCIA評等的最低數值對應之ESG分數相比較。

永續投資是指對一項經濟活動的投資，該活動有助於環境或社會目標的實現，前提是該投資不會對任何環境或社會目標造成重大損害，且被投資公司遵循良好的治理實踐。

歐盟分類法是法規（EU）2020/852中規定的分類系統，建立了**環境永續經濟活動清單**。該法規不包括社會永續經濟活動的清單。具有環境目標的永續投資可能與分類法一致或不一致。

永續性指標係衡量該金融產品所提倡之環境或社會特徵被實踐的程度。

- **金融產品部分擬進行的永續性投資的目標是什麼？以及永續性投資如何為這些目標做出貢獻？**

基金可以分配給任何類型的永續性投資，如具有環境和/或社會目標的投資。本基金並無偏好於任何特定類型的永續性投資。

投資管理機構使用一系列基於可用數據的專有檢測，以確定某項投資是否及如何對環境和社會目標做出積極貢獻。

主要不利衝擊是指投資決策對環境、社會和員工事務、人權尊重、反貪腐與反賄賂事務等永續性因素所造成的重大負面影響。

- **金融產品部分擬進行的永續性投資如何不對任何環境或社會的永續性投資目標造成重大損害？**

本基金擬進行的永續性投資不會對任何環境或社會的永續性投資目標造成傷害，因這些投資須通過一系列檢測，包含：

1. 投資是否大量曝險於投資管理機構認為有傷害性的商業行為
2. 被認為使投資不符永續性發展的主要不利衝擊指標（違反聯合國全球盟約原則或OECD多國企業指導綱領的行為、主權國家的社會違規行為，如受到制裁、對生物多樣性敏感地區的負面影響）
3. 其他主要不利衝擊指標構成實質性評估的一部份，以了解任何曝險是否符合永續性投資的要求。

- **永續性因素的不利衝擊指標如何被考慮？**

投資管理機構之研究過程包含考慮所有具可用數據之投資（不僅是永續性投資）之主要不利衝擊指標，這使得投資管理機構能做出有根據的投資決策。

本基金對主要不利衝擊指標的考慮，係作為了解基金投資標的其經營方式之一部份。

基金之投資標的將持續接受監測和季度審查。

有關投資管理機構有關考慮主要不利衝擊指標之更多信息，請參閱投資管理機構網站上所揭露之基金附件資料。

- **永續性投資如何符合OECD多國企業指導綱領及聯合國工商企業與人權指導原則？**

基金購買的所有投資必須通過投資管理機構的良好治理檢測，此外，永續性投資也必須通過此檢測，以確保它們沒有重大傷害，如上所述。檢測包含對OECD指導綱領及聯合國指導原則的考量。

歐盟分類法訂立「不造成重大損害」原則。根據本原則，遵守分類法的投資不應嚴重損害歐盟分類法的目標，並附有具體的歐盟標準。

「不造成重大損害」原則只適用於考慮歐盟環境永續經濟活動標準的金融產品投資。其餘的金融商品投資並不考慮歐盟環境永續經濟活動標準。

任何其他永續性投資同樣不得對環境或社會目標有重大傷害。



本金融產品是否考慮對永續性因素的主要不利衝擊？

- ☒ 是，對於永續性投資來說，主要不利衝擊為評估該投資是否造成重大傷害（如上文所解釋）的一關鍵環節。對於其他投資來說，投資管理機構的研究過程包含針對所有具可用數據的投資之主要不利衝擊指標的考慮，使投資管理機構能做出明智的投資決策（如上文所解釋）。

關於主要不利衝擊如何被納入考量的資訊將會在本基金的年報中提供。關於投資管理機構所考慮的主要不利衝擊指標的詳細資訊，可於投資管理機構的網站公開之附件中參閱。

☐ 否



本金融產品遵循什麼投資策略？

對ESG因素的考慮完全整合入分析及投資決策。

為了識別購買的資產，投資管理機構用下列方法縮小投資範圍：

1. 在ESG分類標準列出的排除項目將被篩選排除
2. 接著，投資管理機構將進一步分析，包含對ESG因素的考慮，以辨識及利用投資機會。投資管理機構偏好具有較佳ESG特徵的發行人，這並不會妨礙對財務投資目標的追求。此過程通常能使投資組合具有更好的ESG特徵。在建構偏好較佳ESG特徵的投資組合時，投資管理機構仍可能投資於各種不同ESG評等的投資。
3. 投資管理機構將接著執行更進一步的分析，在追求本基金的財務目標下，同時考慮這些公司的估值及適合購買的時間。

本基金的ESG分類標準適用於至少：

- 90%由已開發國家之大型資本公司發行的股票；債務證券、投資等級的貨幣市場工具；和由已開發國家發行的主權債券。
- 75%由開發中國家之大型資本公司發行的股票；由任何國家之中小型資本公司發行的股票；債務證券、投資等級的貨幣市場工具；和由開發中國家發行的主權債券。

投資策略引導基於投資目標、風險管理等因素的投資決策。

● 實現本金融產品所倡導之所有環境或社會特徵時，投資策略的約束性要素為何？

以下為約束性要素，作為該基金之部分投資策略：

- 本基金所排除的投資
- 本基金的正面ESG傾向
- 與本基金所提倡之環境和/或社會特徵相一致的數額，如同「本金融產品計畫的資產分配為何？」一節中所述
- 永續性投資的最低水準，如同如「本金融產品計畫的資產分配為何？」一節中所述

在符合投資者最佳利益的情況下，本基金可能會暫時偏離一個或多個上述之要素。舉例來說，投資管理機構可能會認為在目前市場條件下持有高水位的現金較為恰當。

● 在應用特定投資策略前，用以縮小考慮的投資範圍之承諾最低利率為何？

0%

良好治理實踐包含健全的管理結構、員工關係、員工薪酬和稅務遵循。

● 用以評估投資標的公司之良好治理實踐的政策有哪些？

投資管理機構考慮投資公司時，會使用以數據驅動的量化良好治理檢測以評估之。M&G會排除被認為未能通過良好治理檢測的證券投資。在評估良好治理實踐時，投資管理機構至少會考慮良好治理的四大支柱（健全的管理結構、員工關係、員工薪酬與稅務遵循）等相關事項。



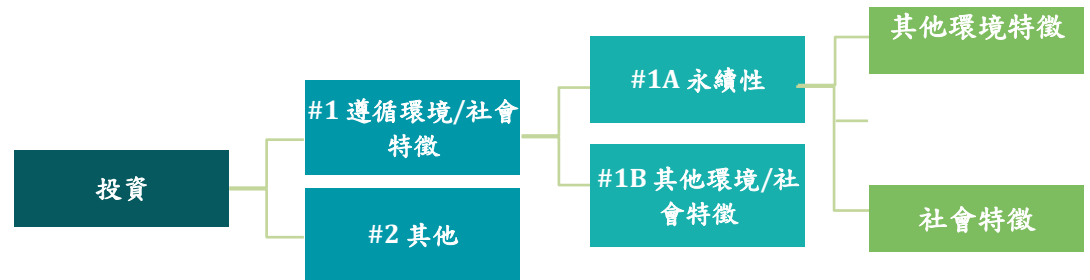
本金融產品計畫的資產分配為何？

投資管理機構計劃本基金將有至少70%的投資會遵循對環境/社會特徵的提倡，至少有20%的投資屬於永續性投資。

資產分配指於特定資產的投資份額。

遵循分類法的活動能被表示成以下幾類：

- **營收**反映投資標的公司由綠色活動所產生的營收份額。
- **資本支出**反映投資標的公司的綠色投資，如對綠色經濟的轉換。
- **營運支出**反映投資標的公司的綠色營運活動。



- #1遵循環境/社會特徵包含用於實現環境或社會特徵的金融產品投資。
- #2其他包含剩下的金融產品投資，產品既不遵循環境和社會特徵，也非被分類為永續性投資。
- 分類#1遵循環境/社會特徵包含：
 - 子分類#1A永續性包含擁有環境及社會目標的永續性投資
 - 子分類#1B其他環境/社會特徵包含非歸類為永續性投資之投資。

● 如何利用衍生性商品的達成本金融產品所提倡的環境或社會特徵？

衍生性商品並沒有為了達成環境和/或社會特徵而被使用。



永續投資中，具有環境目標之投資與歐盟分類法有多少最低程度之一致性？

雖然最低強制性可分類環境永續投資比例為0%，但基金可分配到此類投資，並將其作為整體永續投資中具有環境目標之一部分。

● 該金融產品是否投資於符合歐盟分類法的化石燃氣和/或核能相關活動？

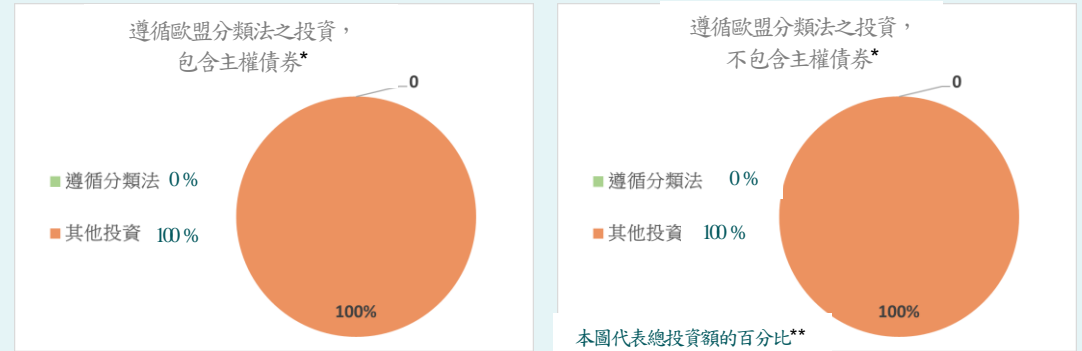
- ☐ 是：☐ 化石燃氣 ☐ 核能
- ☒ 否

僅當化石燃氣和/或核能相關活動有助於限制氣候變化（“氣候變化減緩”），並且不會對任何歐盟分類法目標造成重大損害時，這些活動才符合歐盟分類法。請參見左邊的說明註釋。符合歐盟分類法的化石燃料和核能經濟活動的完整標準已在Commission Delegated Regulation (EU) 2022/1214中明確規定。

扶持活動直接扶持其他活動，使其對環境目標有顯著貢獻。

過渡性活動為低碳替代方案還未適用時所進行的活動，其相較其他活動有最佳的溫室氣體排放表現。

以下兩張圖表顯示遵循歐盟分類法之最低投資比例。由於沒有適當方法以確定主權債券之遵循程度，第一張圖顯示所有與包含主權債券在內所有金融商品有關投資之遵循程度，第二張圖僅顯示不含主權債券在內所有與金融產品有關投資之遵循程度。



* 出於上方圖表之目的，「主權債券」包括所有主權曝險

** 由於沒有分類標準，若排除主權債券（即分類標準投資百分比保持為0%），並不會對圖表產生影響，因此管理機構認為無需提及此信息。

● 對扶持活動和過渡性活動投資的最小比例為何？

0%



指沒有考慮歐盟分類法針對環境永續性經濟活動的指標之環境永續性投資。



具不遵循歐盟分類法的環境目標之永續性投資的最小比例為何？

5%



對社會永續性投資的最小比例為何？

5%



什麼投資被分類於「#2 其他」？它們的目的為何？是否有任何最低限度的環境或社會保障措施？

本於基金投資政策所允許的目的，本基金可持有現金、約當現金、貨幣市場基金以及作為「其他」投資之衍生性商品。除了下述說明以外，本基金不適用最低限度的環境或社會保障措施。

用於使投資曝險於多元化金融指數（不包含技術性交易）和基金（及UCITS和其他UCI）的之投資風險的衍生性商品，能以基金投資政策允許的任何理由所持有，並將接受投資管理機構認為適當的最低環境或社會保障檢測，例如最低加權ESG得分檢測。

當資料不足以辨識投資是否遵循被提倡的特徵時，本基金也可能會持有「其他」投資。

本基金也有可能持有不遵循被提倡的特徵之投資，例如：由於併購或其他企業行為，或由於之前取得的投資產生變化。當上述情況發生時，本基金在符合股東最佳利益的情況下，嘗試賣出資產，但不一定總會立即行動。



是否有一個特定的指數被指定作為參考指標，以確定本金融產品有遵循其所倡導的環境和/或社會特徵？

否

- 參考指標如何持續地與本金融產品所倡導的環境和/或社會特徵保持一致？

不適用

- 如何持續地確保投資策略與該指數遵循方法保持一致？

不適用

- 該指定指數與大盤指數有何不同？

不適用

- 哪裡可以找到用於計算該指定指數的方法？

不適用

參考指標為用以衡量金融產品是否達成其提倡的環境與社會特徵之指數。



我在哪裡可以找到更多的產品詳細資訊？
更多的產品詳細資訊請參閱網站：
www.mandg.com/country-specific-fund-literature

產品名稱: M&G北美股息基金
法人機構識別碼: 5493009NGVBL2IPQZP65

環境及/或社會特徵

本金融商品是否具有永續投資目標？

● ● ☒ 是 ● ● ☒ 否

☐ 將進行最低度的環境目標永續投資：

- ☐ 符合歐盟分類法的環境永續經濟活動
- ☐ 不符合歐盟分類法的環境永續經濟活動

☐ 將進行最低度的社會目標永續投資：

☒ 具有提倡環境/社會(E/S)特徵，雖無將永續投資作為目標，惟其至少占永續投資之20%

☐ 經濟活動之環境目標，符合歐盟分類法之環境永續性

☒ 經濟活動之環境目標，不符合歐盟分類法之環境永續性

☒ 具有社會目標

☐ 具有提倡E/S特徵，但不做任何永續投資



該金融產品提倡哪些環境及/或社會特徵？

本基金提倡使用排除法與正面ESG傾向（定義如下）：

本基金自其投資範疇中排除了某些潛在的投資，以降低對於環境與社會的潛在負面影響（「排除法」）。因此，投資管理機構藉由排除某些被認為對ESG因素不利的投資，來促進某些環境和/或社會特徵。

本基金維持的加權平均ESG評等係符合下面兩點之一較低者：

- 高於其投資範圍所代表之證券市場
- 至少與MSCI A等級相等（「正面ESG傾向」）

在建構一個具有較佳ESG特徵之正面傾向投資組合時，投資管理機構可能會投資於所有具不同ESG評等之投資。在個別證券方面，只要不妨礙追求財務投資目標，投資管理機構傾向於具有較佳ESG特徵的投資。

有關該基金的排除內容的更多信息，請參閱基金的網站揭露，您可以通過以下網址獲取 www.mandg.com/country-specific-fund-literature。

為達到基金所提倡的環境和/或社會特徵，基金並沒有設定績效標準。

- 本產品使用什麼永續性指標衡量產品所倡導之所有環境和/或社會特徵的實踐情況？
選擇用以展現所倡導之環境和/或社會特徵之實踐情況的永續性指標為：

- 排除法：被排除的投資占總資產淨值之百分比

永續投資是指對一項經濟活動的投資，該活動有助於環境或社會目標的實現，前提是該投資不會對任何環境或社會目標造成重大損害，且被投資公司遵循良好的治理實踐。

歐盟分類法是法規 (EU) 2020/852 中規定的分類系統，建立了環境永續經濟活動清單。該法規不包括社會永續經濟活動的清單。具有環境目標的永續投資可能與分類法一致或不一致。

永續性指標係衡量該金融產品所提倡之環境或社會特徵被實踐的程度。

- 正面ESG傾向：投資組合的加權平均ESG評等與投資範圍的加權平均ESG評等比較，或與MSCIA評等的最低數值對應之ESG分數相比較。

- **金融產品部分擬進行的永續性投資的目標是什麼？以及永續性投資如何為這些目標做出貢獻？**

基金可以分配給任何類型的永續性投資，如具有環境和/或社會目標的投資。本基金並無偏好於任何特定類型的永續性投資。

投資管理機構使用一系列基於可用數據的專有檢測，以確定某項投資是否及如何對環境和社會目標做出積極貢獻。

主要不利衝擊是指投資決策對環境、社會和員工事務、人權尊重、反貪腐與反賄賂事務等永續性因素所造成的重大負面影響。

- **金融產品部分擬進行的永續性投資如何不對任何環境或社會的永續性投資目標造成重大損害？**

本基金擬進行的永續性投資不會對任何環境或社會的永續性投資目標造成傷害，因這些投資須通過一系列檢測，包含：

1. 投資是否大量曝險於投資管理機構認為有傷害性的商業行為
2. 被認為使投資不符永續性發展的主要不利衝擊指標（違反聯合國全球盟約原則或OECD多國企業指導綱領的行為、主權國家的社會違規行為，如受到制裁、對生物多樣性敏感地區的負面影響）
3. 其他主要不利衝擊指標構成實質性評估的一部份，以了解任何曝險是否符合永續性投資的要求。

- **永續性因素的不利衝擊指標如何被考慮？**

投資管理機構之研究過程包含考慮所有具可用數據之投資（不僅是永續性投資）之主要不利衝擊指標，這使得投資管理機構能做出有根據的投資決策。

本基金對主要不利衝擊指標的考慮，係作為了解基金投資標的其經營方式之一部份。

基金之投資標的將持續接受監測和季度審查。

有關投資管理機構有關考慮主要不利衝擊指標之更多信息，請參閱投資管理機構網站上所揭露之基金附件資料。

- **永續性投資如何符合OECD多國企業指導綱領及聯合國工商企業與人權指導原則？**

基金購買的所有投資必須通過投資管理機構的良好治理檢測，此外，永續性投資也必須通過此檢測，以確保它們沒有重大傷害，如上所述。檢測包含對OECD指導綱領及聯合國指導原則的考量。

歐盟分類法訂立「不造成重大損害」原則。根據本原則，遵守分類法的投資不應嚴重損害歐盟分類法的目標，並附有具體的歐盟標準。

「不造成重大損害」原則只適用於考慮歐盟環境永續經濟活動標準的金融產品投資。其餘的金融商品投資並不考慮歐盟環境永續經濟活動標準。

任何其他永續性投資同樣不得對環境或社會目標有重大傷害。



本金融產品是否考慮對永續性因素的主要不利衝擊？

- ☒ 是，對於永續性投資來說，主要不利衝擊為評估該投資是否造成重大傷害（如上文所解釋）的一關鍵環節。對於其他投資來說，投資管理機構的研究過程包含針對所有具可用數據的投資之主要不利衝擊指標的考慮，使投資管理機構能做出明智的投資決策（如同上文所解釋的）。

有關投資管理機構所考量主要不利衝擊指標之更多資訊，請參閱投資管理機構網站揭露之基金附件內容。本基金的年報亦將提供主要不利衝擊如何被考量之資訊。

☐ 否



本金融產品遵循什麼投資策略？

對ESG因素的考慮完全整合入分析及投資決策。

為了識別購買的資產，投資管理機構用下列方法縮小投資範圍：

1. 在ESG分類標準列出的排除項目將被篩選排除
2. 接著，投資管理機構將進一步分析，包含對ESG因素的考慮，以辨識及利用投資機會。投資管理機構偏好具有較佳ESG特徵的發行人，這並不會妨礙對財務投資目標的追求。此過程通常能使投資組合具有更好的ESG特徵。在建構偏好較佳ESG特徵的投資組合時，投資管理機構仍可能投資於各種不同ESG評等的投資。
3. 投資管理機構將接著執行更進一步的分析，在追求本基金的財務目標下，同時考慮這些公司的估值及適合購買的時間。

本基金的ESG分類標準適用於至少：

- 90%由已開發國家之大型資本公司發行的股票；債務證券、投資等級的貨幣市場工具；和由已開發國家發行的主權債券。
- 75%由開發中國家之大型資本公司發行的股票；由任何國家之中小型資本公司發行的股票；債務證券、投資等級的貨幣市場工具；和由開發中國家發行的主權債券。

● 實現本金融產品所倡導之所有環境或社會特徵時，投資策略的約束性要素為何？

以下為約束性要素，作為該基金之部分投資策略：

- 本基金所排除的投資
- 本基金的正面ESG傾向
- 與本基金所提倡之環境和/或社會特徵相一致的數額，如同「本金融產品計畫的資產分配為何？」一節中所述
- 永續性投資的最低水準，如同如「本金融產品計畫的資產分配為何？」一節中所述

在符合投資者最佳利益的情況下，本基金可能會暫時偏離一個或多個上述之要素。舉例來說，投資管理機構可能會認為在目前市場條件下持有高水位的現金較為恰當。

● 在應用特定投資策略前，用以縮小考慮的投資範圍之承諾最低利率為何？

0%

投資策略引導基於投資目標、風險管理等因素的投資決策。

良好治理實踐包含健全的管理結構、員工關係、員工薪酬和稅務遵循。

● 用以評估投資標的公司之良好治理實踐的政策有哪些？

投資管理機構考慮投資公司時，會使用以數據驅動的量化良好治理檢測以評估之。M&G會排除被認為未能通過良好治理檢測的證券投資。在評估良好治理實踐時，投資管理機構至少會考慮良好治理的四大支柱（健全的管理結構、員工關係、員工薪酬與稅務遵循）等相關事項。



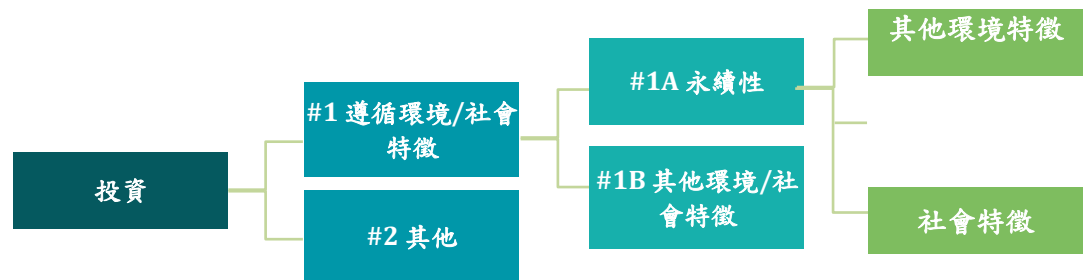
本金融產品計畫的資產分配為何？

投資管理機構計劃本基金將有至少70%的投資會遵循對環境/社會特徵的提倡，至少有20%的投資屬於永續性投資。

資產分配指於特定資產的投資份額。

遵循分類法的活動能被表示成以下幾類：

- **營收**反映投資標的公司由綠色活動所產生的營收份額。
- **資本支出**反映投資標的公司的綠色投資，如對綠色經濟的轉換。
- **營運支出**反映投資標的公司的綠色營運活動。



- #1遵循環境/社會特徵包含用於實現環境或社會特徵的金融產品投資。
- #2其他包含剩下的金融產品投資，產品既不遵循環境和社會特徵，也非被分類為永續性投資。
- 分類#1遵循環境/社會特徵包含：
 - 子分類#1A永續性包含擁有環境及社會目標的永續性投資
 - 子分類#1B其他環境/社會特徵包含非歸類為永續性投資之投資。

● 衍生性商品的使用如何達成本金融產品所提倡的環境或社會特徵？

衍生性商品並沒有為了達成環境和/或社會特徵而被使用。



永續投資中，具有環境目標之投資與歐盟分類法有多少最低程度之一致性？

雖然最低強制性可分類環境永續投資比例為0%，但基金可分配到此類投資，並將其作為整體永續投資中具有環境目標之一部分。

● 該金融產品是否投資於符合歐盟分類法的化石燃氣和/或核能相關活動？

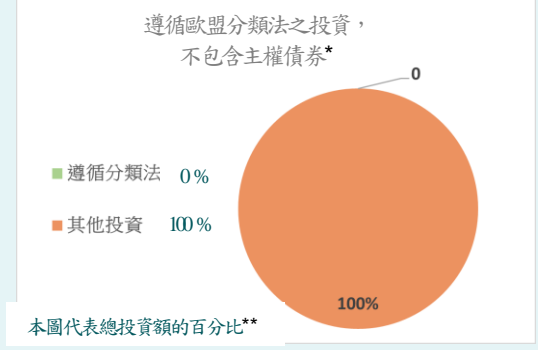
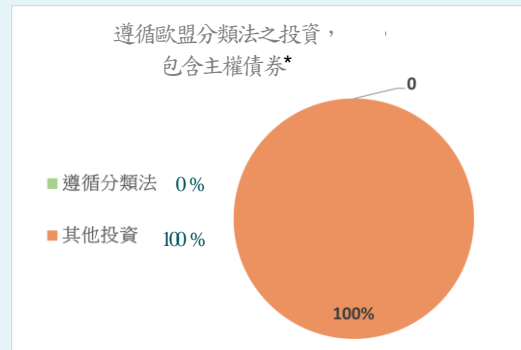
- ☐ 是：☐ 化石燃氣 ☐ 核能
- ☒ 否

僅當化石燃氣和/或核能相關活動有助於限制氣候變化（“氣候變化減緩”），並且不會對任何歐盟分類法目標造成重大損害時，這些活動才符合歐盟分類法。請參見左邊的說明註釋。符合歐盟分類法的化石燃料和核能經濟活動的完整標準已在Commission Delegated Regulation (EU) 2022/1214中明確規定。

扶持活動直接扶持其他活動，使其對環境目標有顯著貢獻。

過渡性活動為低碳替代方案還未適用時所進行的活動，其相較其他活動有最佳的溫室氣體排放表現。

以下兩張圖表顯示遵循歐盟分類法之最低投資比例。由於沒有適當方法以確定主權債券之遵循程度，第一張圖顯示所有與包含主權債券在內所有金融商品有關投資之遵循程度，第二張圖僅顯示不含主權債券在內所有與金融產品有關投資之遵循程度。



*出於上方圖表之目的，「主權債券」包括所有主權曝險

**由於沒有分類標準，若排除主權債券（即分類標準投資百分比保持為0%），並不會對圖表產生影響，因此管理機構認為無需提及此信息。

● 對扶持活動和過渡性活動投資的最小比例為何？

0%



指沒有考慮歐盟分類法針對環境永續性經濟活動的指標之環境永續性投資。



具不遵循歐盟分類法的環境目標之永續性投資的最小比例為何？

5%



對社會永續性投資的最小比例為何？

5%



什麼投資被分類於「#2 其他」？它們的目的為何？是否有任何最低限度的環境或社會保障措施？

本於基金投資政策所允許的目的，本基金可持有現金、約當現金、貨幣市場基金以及作為「其他」投資之衍生性商品。除了下述說明以外，本基金不適用最低限度的環境或社會保障措施。

用於使投資曝險於多元化金融指數（不包含技術性交易）和基金（及UCITS和其他UCI）的之投資風險的衍生性商品，能以基金投資政策允許的任何理由所持有，並將接受投資管理機構認為適當的最低環境或社會保障檢測，例如最低加權ESG得分檢測。

當資料不足以辨識投資是否遵循被提倡的特徵時，本基金也可能會持有「其他」投資。

本基金也有可能持有不遵循被提倡的特徵之投資，例如：由於併購或其他企業行為，或由於之前取得的投資產生變化。當上述情況發生時，本基金在符合股東最佳利益的情況下，嘗試賣出資產，但不一定總會立即行動。



是否有一個特定的指數被指定作為參考指標，以確定本金融產品有遵循其所倡導的環境和/或社會特徵？

否

- 參考指標如何持續地與本金融產品所倡導的環境和/或社會特徵保持一致？

不適用

- 如何持續地確保投資策略與該指數遵循方法保持一致？

不適用

- 該指定指數與大盤指數有何不同？

不適用

- 哪裡可以找到用於計算該指定指數的方法？

不適用

參考指標為用以衡量金融產品是否達成其提倡的環境與社會特徵之指數。



我在哪裡可以找到更多的產品詳細資訊？
更多的產品詳細資訊請參閱網站：
www.mandg.com/country-specific-fund-literature

產品名稱: M&G ESG 巴黎協議泛歐永續股票基金
法人機構識別碼: 549300P77Z28WJUUV459

環境及/或社會特徵

永續投資是指對一項經濟活動的投資，該活動有助於環境或社會目標的實現，前提是該投資不會對任何環境或社會目標造成重大損害，且被投資公司遵循良好的治理實踐。

歐盟分類法是法規 (EU) 2020/852 中規定的分類系統，建立了**環境永續經濟活動清單**。該法規不包括社會永續經濟活動的清單。具有環境目標的永續投資可能與分類法一致或不一致。

本金融商品是否具有永續投資目標？

● ● ☒ 是 ● ● ☐ 否

☒ 將進行最低度的環境目標永續投資:80%

☐ 符合歐盟分類法的環境永續經濟活動

☒ 不符合歐盟分類法的環境永續經濟活動

☐ 將進行最低度的社會目標永續投資

☐ 具有提倡環境/社會(E/S)特徵，雖無將永續投資作為目標，惟其至少占永續投資之20%

☐ 經濟活動之環境目標，符合歐盟分類法之環境永續性

☐ 經濟活動之環境目標，不符合歐盟分類法之環境永續性

☐ 具有社會目標

☐ 具有提倡E/S特徵，但不做任何永續投資



永續性指標係衡量該金融產品所提倡之環境或社會特徵被實踐的程度。

本產品的永續性投資目標為何？

投資於對巴黎協議氣候變遷目標有貢獻的公司。

● 本產品使用什麼永續性指標衡量產品所倡導之所有環境和/或社會特徵的實踐情況？

基金層面的永續性指標：

- 致力於實現「科學基礎減量目標」(SBTs)之資產占總資產淨值之百分比
- 已獲「科學基礎減量目標」批准之資產占總資產淨值之百分比
- 參與「氣候相關財務揭露」(TCFD)之資產占總資產淨值之百分比
- 生產之可再生能源總量(千度)
- 基金相對於投資範疇WACI之加權平均碳濃度(WACI)

有關該基金的排除內容的更多信息，請參閱基金的網站揭露，您可以通過以下網址獲取www.mandg.com/country-specific-fund-literature。

證券層面的永續性指標：

- 避免碳排放—藉由產品與服務，為氣候變遷提供直接解決方案之公司

● 金融產品部分擬進行的永續性投資如何不對任何環境或社會的永續性投資目標造成重大損害？

本基金擬進行的永續性投資不會對任何環境或社會的永續性投資目標造成傷害，因這些投資須通過一系列檢測，包含：

1. 投資是否大量曝險於投資管理機構認為有傷害性的商業行為
2. 被認為使投資不符永續性發展的主要不利衝擊指標（違反聯合國全球盟約原則或OECD多國企業指導綱領的行為、主權國家的社會違規行為，如受到制裁、對生物多樣性敏感地區的負面影響）
3. 其他主要不利衝擊指標構成實質性評估的一部份，以了解任何曝險是否符合永續性投資的要求

● 永續性因素的不利衝擊指標如何被考慮？

投資管理機構之研究過程包含考慮所有具可用數據之投資（不僅是永續性投資）之主要不利衝擊指標，這使得投資管理機構能做出有根據的投資決策。

本基金對主要不利衝擊指標的考慮，係作為了解基金投資標的其經營方式之一部份。

基金之投資標的將持續接受監測和季度審查。

有關投資管理機構有關考慮主要不利衝擊指標之更多信息，請參閱投資管理機構網站上所揭露之基金附件資料。

● 永續性投資如何符合OECD多國企業指導綱領及聯合國工商企業與人權指導原則？

基金購買的所有投資必須通過投資管理機構的良好治理檢測，此外，永續性投資也必須通過此檢測，以確保它們沒有重大傷害，如上所述。檢測包含對OECD指導綱領及聯合國指導原則的考量。



本金融產品是否考慮對永續性因素的主要不利衝擊？

- ☒ 是，對於永續性投資來說，主要不利衝擊為評估該投資是否造成重大傷害（如上文所解釋）的一關鍵環節。對於其他投資來說，投資管理機構的研究過程包含針對所有具可用數據的投資之主要不利衝擊指標的考慮，使投資管理機構能做出明智的投資決策（如上文所解釋）。

關於主要不利衝擊如何被納入考量的資訊將會在本基金的年報中提供。關於投資管理機構所考慮的主要不利衝擊指標的詳細資訊，可於投資管理機構的網站公開之附件中參閱。

☐ 否



投資策略引導基於投資目標、風險管理等因素的投資決策。

本金融產品遵循什麼投資策略？

本基金投資於低碳濃度公司，及降低碳濃度公司。

低碳濃度公司之碳濃度低於50%的基金投資範圍之加權平均碳濃度，同時持續致力於去碳化。

降低碳濃度公司具有符合巴黎協議基於科學之減碳目標，或已承諾將在未來一段時機設立目標，同時持續致力於去碳化。

本基金也考慮非強制性因素，例如公司是否為氣候變遷挑戰提供解決方案。

本基金通常有一個加權平均碳濃度，其將少於投資範圍的一半（「正面ESG結果」）。

包括ESG在內之永續性考慮因素已完全整合入分析和投資決策中，並在確定投資範圍和建構投資組合方面發揮重要作用。

為了識別購買的資產，投資管理機構用下列方法縮小投資範圍：

1. 在ESG分類標準列出的排除項目將被篩選排除。
2. 接著，投資管理機構將評估剩餘公司的永續性資格。潛在投資標的將依據其碳濃度，以及其是否為氣候變遷挑戰提供解決方案來分類。投資管理機構透過內部及外部研究，結合評估ESG因素之質化與量化方法，來分析這些公司，並建立一個被評估具有永續性商業模型之公司觀察名單。
3. 投資管理機構將接著執行更進一步的分析，在追求本基金的財務目標下，同時考慮這些公司的估值及適合購買的時間。投資管理機構偏好具有較低碳濃度的發行人，惟這並不會妨礙對財務投資目標的追求。此過程通常能使投資組合的碳濃度低於其投資範圍碳濃度的一半。在建構偏好較低碳濃度的投資組合時，投資管理機構仍可能投資於各種不同碳濃度的投資。本基金的計算方法不包含不具有碳濃度資料的證券，或是現金、約當現金、部分衍生性商品及部分集合投資計畫。

● 實現本金融產品所倡導之所有環境或社會特徵時，投資策略的約束性要素為何？

以下為約束性要素，作為該基金之部分投資策略：

- 本基金所排除的投資
- 本基金的資產分配，如同「本金融產品計畫的資產分配為何？」一節中所述
- 永續性投資的最低水準，如同「本金融產品計畫的資產分配為何？」一節中所述。請注意，具有環境目標之永續投資的最低比例與歐盟分類法不一致，如果持有少於該最低比例的原因為持有與分類法一致的投資（因所有這些投資都為具環境目標的永續投資），則不具有約束力。

在符合投資者最佳利益的情況下，本基金可能會暫時偏離一個或多個上述之要素。舉例來說，投資管理機構可能會認為在目前市場條件下持有高水位的現金較為恰當。

良好治理實踐包含健全的管理結構、員工關係、員工薪酬和稅務遵循。

● 用以評估投資標的公司之良好治理實踐的政策有哪些？

投資管理機構考慮投資公司時，會使用以數據驅動的量化良好治理檢測以評估之。M&G會排除被認為未能通過良好治理檢測的證券投資。在評估良好治理實踐時，投資管理機構至少會考慮良好治理的四大支柱（健全的管理結構、員工關係、員工薪酬與稅務遵循）等相關事項。

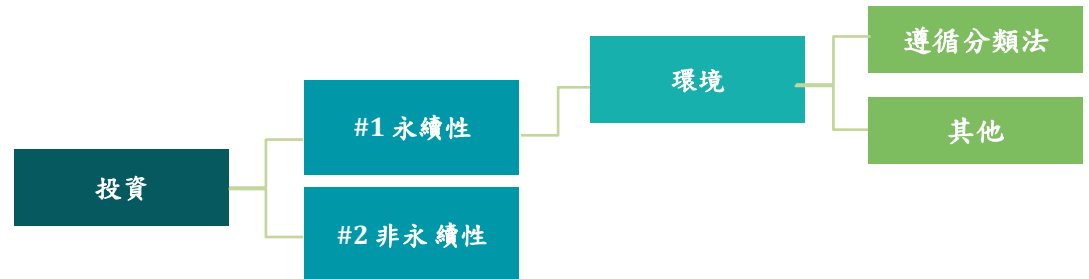


資產分配指於特定資產的投資份額。

本金融產品計畫的資產分配為何？

投資管理機構計劃本基金將有至少80%的投資屬於永續性投資，以追求環境永續性投資的目標。

本基金並無要求偏好任何特定種類的环境永續性投資。



遵循分類法的活動能被表示成以下幾類：

- **營收**反映投資標的公司由綠色活動所產生的營收份額。
- **資本支出**反映投資標的公司的綠色投資，如對綠色經濟的轉換。
- **營運支出**反映投資標的公司的綠色營運活動。

- #1永續性包含具有環境及社會目標的永續性投資。
- #2非永續性包含不符永續性資格的投資。

● 衍生性商品的使用如何達成本金融產品所提倡的環境或社會特徵？

衍生性商品並沒有為了達成環境和/或社會特徵而被使用。



永續投資中，具有環境目標之投資與歐盟分類法有多少最低程度之一致性？

雖然最低強制性可分類環境永續投資比例為0%，但基金可分配到此類投資，並將其作為整體永續投資中具有環境目標之一部分。

● 該金融產品是否投資於符合歐盟分類法的化石燃氣和/或核能相關活動？

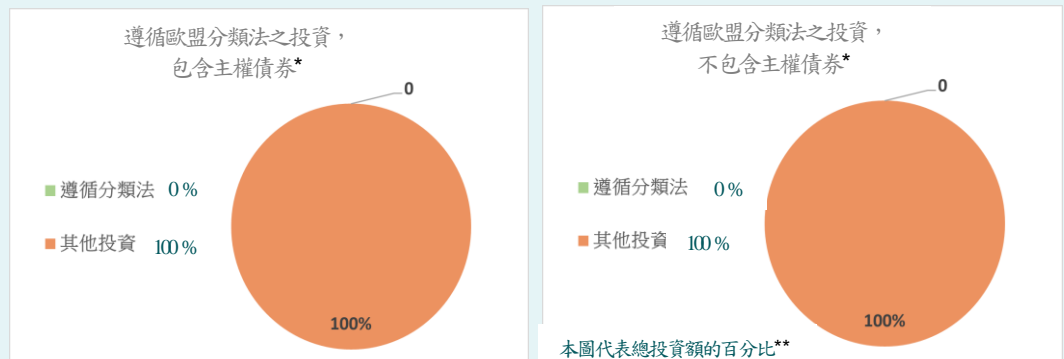
- ☐ 是：☐ 化石燃氣 ☐ 核能
- ☒ 否

僅當化石燃氣和/或核能相關活動有助於限制氣候變化（“氣候變化減緩”），並且不會對任何歐盟分類法目標造成重大損害時，這些活動才符合歐盟分類法。請參見左邊的說明註釋。符合歐盟分類法的化石燃料和核能經濟活動的完整標準已在Commission Delegated Regulation (EU) 2022/1214中明確規定。

扶持活動直接扶持其他活動，使其對環境目標有顯著貢獻。

過渡性活動為低碳替代方案還未適用時所進行的活動，其相較其他活動有最佳的溫室氣體排放表現。

以下兩張圖表顯示遵循歐盟分類法之最低投資比例。由於沒有適當方法以確定主權債券之遵循程度，第一張圖顯示所有與包含主權債券在內所有金融商品有關投資之遵循程度，第二張圖僅顯示不含主權債券在內所有與金融產品有關投資之遵循程度。



*出於上方圖表之目的，「主權債券」包括所有主權曝險

**由於沒有分類標準，若排除主權債券（即分類標準投資百分比保持為0%），並不會對圖表產生影響，因此管理機構認為無需提及此信息。

- 對扶持活動和過渡性活動投資的最小比例為何？

0%

指沒有考慮歐盟分類法針對環境永續性經濟活動的指標之環境永續性投資。



具不遵循歐盟分類法的環境目標之永續性投資的最小比例為何？

80%



對社會永續性投資的最小比例為何？

0%



什麼投資被分類於「#2 其他」？它們的目的為何？是否有任何最低限度的環境或社會保障措施？

為了避險目的或為了輔助流動性所持有的現金有關。本基金可持有現金、約當現金、貨幣市場基金以及作為「其他」投資之衍生性商品。除了下述說明以外，並不適用最低限度的環境或社會保障措施。

當衍生性商品被用於使投資曝險於多元化金融指數時，其將接受投資管理機構認為適當的最低環境或社會保障檢測，例如最低加權ESG得分檢測。

本基金也有可能持有不遵循被提倡的特徵之投資，例如：由於併購或其他企業行為，或由於之前取得的投資產生變化。當上述情況發生時，本基金在符合股東最佳利益的情況下，嘗試賣出資產，但不一定總會立即行動。



是否有一個特定的指數被指定作為參考指標，以確定本金融產品有遵循其所倡導的環境和/或社會特徵？

否

- 參考指標如何持續地與本金融產品所倡導的環境和/或社會特徵保持一致？

不適用

- 如何持續地確保投資策略與該指數遵循方法保持一致？

不適用

參考指標為用以衡量金融產品是否達成其提倡的環境與社會特徵之指數。

- 該指定指數與大盤指數有何不同？

不適用

- 哪裡可以找到用於計算該指定指數的方法？

不適用



我在哪裡可以找到更多的產品詳細資訊？
更多的產品詳細資訊請參閱網站：
www.mandg.com/country-specific-fund-literature

產品名稱: M&G 收益優化基金
法人機構識別碼: 5493008ON3OV4FEXKY59

環境及/或社會特徵

本金融商品是否具有永續投資目標？

☒ 是

☒ 否

☐ 將進行最低度的環境目標永續投資：

☐ 符合歐盟分類法的環境永續經濟活動

☐ 不符合歐盟分類法的環境永續經濟活動

☐ 將進行最低度的社會目標永續投資：

☒ 具有提倡環境/社會(E/S)特徵，雖無將永續投資作為目標，惟其至少占永續投資之20%

☐ 經濟活動之環境目標，符合歐盟分類法之環境永續性

☒ 經濟活動之環境目標，不符合歐盟分類法之環境永續性

☒ 具有社會目標

☐ 具有提倡E/S特徵，但不做任何永續投資

永續投資是指對一項經濟活動的投資，該活動有助於環境或社會目標的實現，前提是該投資不會對任何環境或社會目標造成重大損害，且被投資公司遵循良好的治理實踐。

歐盟分類法是法規 (EU) 2020/852 中規定的分類系統，建立了**環境永續經濟活動清單**。該法規不包括社會永續經濟活動的清單。具有環境目標的永續投資可能與分類法一致或不一致。



該金融產品提倡哪些環境及/或社會特徵？

本基金提倡使用排除法（定義如下）：

本基金將某些可能的投資從其投資範圍中排除，以減少對環境和社會的潛在負面影響。對於證券化投資，如資產支持證券（ABS），還將根據投資經理的專有評分方法進行評估。現金可能被視為符合「排除方法」的特點，當現金存放在機構或投資於通過投資經理ESG質量閾值的貨幣市場基金中時（「排除方法」）。因此，投資管理機構藉由排除某些被認為對ESG因素有害的投資來促進環境和/或社會特徵。

有關該基金的排除內容的更多信息，請參閱基金的網站揭露，您可以通過以下網址獲取 www.mandg.com/country-specific-fund-literature。

為達到基金所提倡的環境和/或社會特徵，基金並沒有設定績效標準。

● 本產品使用什麼永續性指標衡量產品所倡導之所有環境和/或社會特徵的實踐情況？

選擇用以展現所倡導之環境和/或社會特徵之實踐情況的永續性指標為：

- 排除法：被排除的投資占總資產淨值之百分比
- 排除法：低於投資管理機構的遵循門檻之ABS占總資產淨值之百分比
- 正面ESG傾向：投資組合的加權平均ESG評等與投資範圍的加權平均ESG評等比較。

永續性指標係衡量該金融產品所提倡之環境或社會特徵被實踐的程度。

- **金融產品部分擬進行的永續性投資的目標是什麼？以及永續性投資如何為這些目標做出貢獻？**

基金可以分配給任何類型的永續性投資，如具有環境和/或社會目標的投資。本基金並無偏好於任何特定類型的永續性投資。

投資管理機構使用一系列基於可用數據的專有檢測，以確定某項投資是否及如何對環境和社會目標做出積極貢獻。

主要不利衝擊是指投資決策對環境、社會和員工事務、人權尊重、反貪腐與反賄賂事務等永續性因素所造成的重大負面影響。

- **金融產品部分擬進行的永續性投資如何不對任何環境或社會的永續性投資目標造成重大損害？**

本基金擬進行的永續性投資不會對任何環境或社會的永續性投資目標造成傷害，因這些投資須通過一系列檢測，包含：

1. 投資是否大量曝險於投資管理機構認為有傷害性的商業行為
2. 被認為使投資不符永續性發展的主要不利衝擊指標（違反聯合國全球盟約原則或OECD多國企業指導綱領的行為、主權國家的社會違規行為，如受到制裁、對生物多樣性敏感地區的負面影響）
3. 其他主要不利衝擊指標構成實質性評估的一部份，以了解任何曝險是否符合永續性投資的要求。

- **永續性因素的不利衝擊指標如何被考慮？**

投資管理機構之研究過程包含考慮所有具可用數據之投資（不僅是永續性投資）之主要不利衝擊指標，這使得投資管理機構能做出有根據的投資決策。

本基金對主要不利衝擊指標的考慮，係作為了解基金投資標的其經營方式之一部份。

基金之投資標的將持續接受監測和季度審查。

有關投資管理機構有關考慮主要不利衝擊指標之更多信息，請參閱投資管理機構網站上所揭露之基金附件資料。

- **永續性投資如何符合OECD多國企業指導綱領及聯合國工商企業與人權指導原則？**

基金購買的所有投資必須通過投資管理機構的良好治理檢測，此外，永續性投資也必須通過此檢測，以確保它們沒有重大傷害，如上所述。檢測包含對OECD指導綱領及聯合國指導原則的考量。

歐盟分類法訂立「不造成重大損害」原則。根據本原則，遵守分類法的投資不應嚴重損害歐盟分類法的目標，並附有具體的歐盟標準。

「不造成重大損害」原則只適用於考慮歐盟環境永續經濟活動標準的金融產品投資。其餘的金融商品投資並不考慮歐盟環境永續經濟活動標準。

任何其他永續性投資同樣不得對環境或社會目標有重大傷害。



本金融產品是否考慮對永續性因素的主要不利衝擊？

- ☒ 是，對於永續性投資來說，主要不利衝擊為評估該投資是否造成重大傷害（如上文所解釋）的一關鍵環節。對於其他投資來說，投資管理機構的研究過程包含針對所有具可用數據的投資之主要不利衝擊指標的考慮，使投資管理機構能做出明智的投資決策（如同上文所解釋的）。

有關投資管理機構所考量主要不利衝擊指標之更多資訊，請參閱投資管理機構網站揭露之基金附件內容。本基金的年報亦將提供主要不利衝擊如何被考量之資訊。

☐ 否



本金融產品遵循什麼投資策略？

對ESG因素的考慮完全整合入分析及投資決策。

為了識別購買的資產，投資管理機構用下列方法縮小投資範圍：

1. 在ESG分類標準列出的排除項目將被篩選排除
2. 接著，投資管理機構將進一步分析，包含對ESG因素的考慮，以辨識及利用投資機會。投資管理機構偏好具有較佳ESG特徵的發行人，這並不會妨礙對財務投資目標的追求。此過程通常能使投資組合具有更好的ESG特徵。在建構偏好較佳ESG特徵的投資組合時，投資管理機構仍可能投資於各種不同ESG評等的投資。
3. 投資管理機構將接著執行更進一步的分析，在追求本基金的財務目標下，同時考慮這些公司的估值及適合購買的時間。

本基金的ESG分類標準適用於至少：

- 90%由已開發國家之大型資本公司發行的股票；債務證券、投資等級的貨幣市場工具；和由已開發國家發行的主權債券。
- 75%由開發中國家之大型資本公司發行的股票；由任何國家之中小型資本公司發行的股票；債務證券、投資等級的貨幣市場工具；和由開發中國家發行的主權債券。

投資策略引導基於投資目標、風險管理等因素的投資決策。

● 實現本金融產品所倡導之所有環境或社會特徵時，投資策略的約束性要素為何？

以下為約束性要素，作為該基金之部分投資策略：

- 本基金所排除的投資
- 本基金的正面ESG傾向
- 與本基金所提倡之環境和/或社會特徵相一致的數額，如同「本金融產品計畫的資產分配為何？」一節中所述
- 永續性投資的最低水準，如同如「本金融產品計畫的資產分配為何？」一節中所述

在符合投資者最佳利益的情況下，本基金可能會暫時偏離一個或多個上述之要素。舉例來說，投資管理機構可能會認為在目前市場條件下持有高水位的現金較為恰當。

● 在應用特定投資策略前，用以縮小考慮的投資範圍之承諾最低利率為何？

0%

良好治理實踐包含健全的管理結構、員工關係、員工薪酬和稅務遵循。

● 用以評估投資標的公司之良好治理實踐的政策有哪些？

投資管理機構考慮投資公司時，會使用以數據驅動的量化良好治理檢測以評估之。M&G會排除被認為未能通過良好治理檢測的證券投資。在評估良好治理實踐時，投資管理機構至少會考慮良好治理的四大支柱（健全的管理結構、員工關係、員工薪酬與稅務遵循）等相關事項。



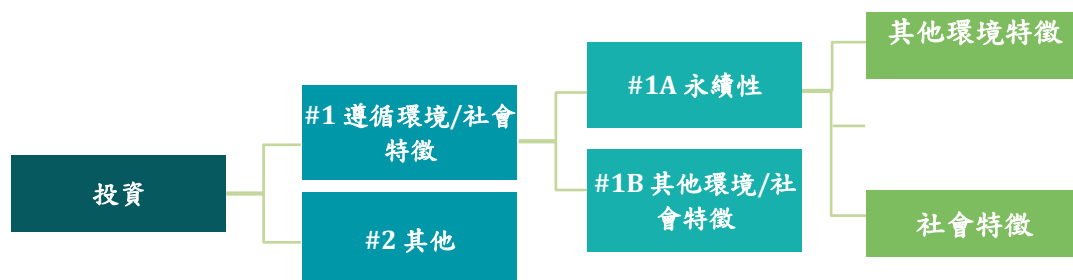
本金融產品計畫的資產分配為何？

投資管理機構計劃本基金將有至少70%的投資會遵循對環境/社會特徵的提倡，至少有20%的投資屬於永續性投資。

資產分配指於特定資產的投資份額。

遵循分類法的活動能被表示成以下幾類：

- **營收**反映投資標的公司由綠色活動所產生的營收份額。
- **資本支出**反映投資標的公司的綠色投資，如對綠色經濟的轉換。
- **營運支出**反映投資標的公司的綠色營運活動。



- #1遵循環境/社會特徵包含用於實現環境或社會特徵的金融產品投資。
- #2其他包含剩下的金融產品投資，產品既不遵循環境和社會特徵，也非被分類為永續性投資。
- 分類#1遵循環境/社會特徵包含：
 - 子分類#1A永續性包含擁有環境及社會目標的永續性投資
 - 子分類#1B其他環境/社會特徵包含非歸類為永續性投資之投資。

● 衍生性商品的使用如何達成本金融產品所提倡的環境或社會特徵？

根據以下情形來考慮，衍生性商品可能與所提倡之環境和/或社會特徵相一致：

排除：

- 1 若衍生性商品代表對單一名稱之曝險，則該名稱須為基金所允許之投資。
- 2 若衍生性商品代表對多元化金融指數之曝險，則須提出具有可證明與所提倡特徵相一致性之特性。



永續投資中，具有環境目標之投資與歐盟分類法有多少最低程度之一致性？

雖然最低強制性可分類環境永續投資比例為0%，但基金可分配到此類投資，並將其作為整體永續投資中具有環境目標之一部分。

● 該金融產品是否投資於符合歐盟分類法的化石燃氣和/或核能相關活動？

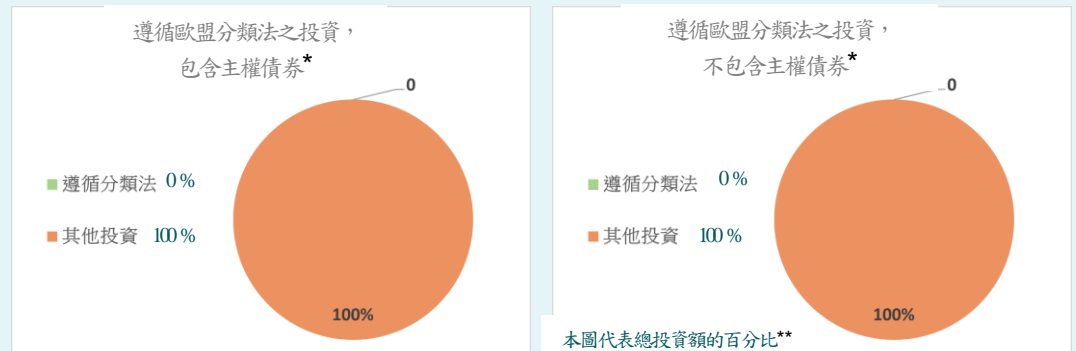
- ☐ 是：☐ 化石燃氣 ☐ 核能
- ☒ 否

僅當化石燃氣和/或核能相關活動有助於限制氣候變化（"氣候變化減緩"），並且不會對任何歐盟分類法目標造成重大損害時，這些活動才符合歐盟分類法。請參見左邊的說明註釋。符合歐盟分類法的化石燃料和核能經濟活動的完整標準已在Commission Delegated Regulation (EU) 2022/1214中明確規定。

扶持活動直接扶持其他活動，使其對環境目標有顯著貢獻。

過渡性活動為低碳替代方案還未適用時所進行的活動，其相較其他活動有最佳的溫室氣體排放表現。

以下兩張圖表顯示遵循歐盟分類法之最低投資比例。由於沒有適當方法以確定主權債券之遵循程度，第一張圖顯示所有與包含主權債券在內所有金融商品有關投資之遵循程度，第二張圖僅顯示不含主權債券在內所有與金融產品有關投資之遵循程度。



*出於上方圖表之目的，「主權債券」包括所有主權曝險

**由於沒有分類標準，若排除主權債券（即分類標準投資百分比保持為0%），並不會對圖表產生影響，因此管理機構認為無需提及此信息。

● 對扶持活動和過渡性活動投資的最小比例為何？

0%



指沒有考慮歐盟分類法針對環境永續性經濟活動的指標之環境永續性投資。



具不遵循歐盟分類法的環境目標之永續性投資的最小比例為何？

5%



對社會永續性投資的最小比例為何？

5%



什麼投資被分類於「#2 其他」？它們的目的為何？是否有任何最低限度的環境或社會保障措施？

本於基金投資政策所允許的任何目的，本基金可持有現金、約當現金和貨幣市場基金、外匯、利率衍生性商品和作為「其他」投資之類似衍生性商品（可能包括特定的技術性交易，如用於期限交易的政府公債期貨）。本基金不適用最低限度的環境或社會保障措施。

用於使投資曝險於多元化金融指數（不包含技術性交易）和基金（及UCITS和其他UCI）的之投資風險的衍生性商品，能以基金投資政策允許的任何理由所持有，並將接受投資管理機構認為適當的最低環境或社會保障檢測，例如最低加權ESG得分檢測。

當資料不足以辨識投資是否遵循被提倡的特徵時，本基金也可能會持有「其他」投資。

本基金也有可能持有不遵循被提倡的特徵之投資，例如：由於併購或其他企業行為，或由於之前取得的投資產生變化。當上述情況發生時，本基金在符合股東最佳利益的情況下，嘗試賣出資產，但不一定總會立即行動。



是否有一個特定的指數被指定作為參考指標，以確定本金融產品有遵循其所倡導的環境和/或社會特徵？

否

- 參考指標如何持續地與本金融產品所倡導的環境和/或社會特徵保持一致？

不適用

- 如何持續地確保投資策略與該指數遵循方法保持一致？

不適用

- 該指定指數與大盤指數有何不同？

不適用

- 哪裡可以找到用於計算該指定指數的方法？

不適用

參考指標為用以衡量金融產品是否達成其提倡的環境與社會特徵之指數。



我在哪裡可以找到更多的產品詳細資訊？
更多的產品詳細資訊請參閱網站：
www.mandg.com/country-specific-fund-literature

產品名稱: M&G 短期優質債券基金
法人機構識別碼: 549300PT8Y5VIWCSE97

環境及/或社會特徵

永續投資是指對一項經濟活動的投資，該活動有助於環境或社會目標的實現，前提是該投資不會對任何環境或社會目標造成重大損害，且被投資公司遵循良好的治理實踐。

歐盟分類法是法規 (EU) 2020/852 中規定的分類系統，建立了**環境永續經濟活動清單**。該法規不包括社會永續經濟活動的清單。具有環境目標的永續投資可能與分類法一致或不一致。

本金融商品是否具有永續投資目標？

● ● ☐ 是 ● ● ☒ 否

☐ 將進行最低度的環境目標永續投資：

☐ 符合歐盟分類法的環境永續經濟活動

☐ 不符合歐盟分類法的環境永續經濟活動

☐ 將進行最低度的社會目標永續投資

☒ 具有提倡環境/社會(E/S)特徵，雖無將永續投資作為目標，惟其至少占永續投資之20%

☐ 經濟活動之環境目標，符合歐盟分類法之環境永續性

☒ 經濟活動之環境目標，不符合歐盟分類法之環境永續性

☒ 具有社會目標

☐ 具有提倡E/S特徵，但不做任何永續投資



該金融產品提倡哪些環境及/或社會特徵？

本基金提倡使用排除法（定義如下）：

本基金將某些可能的投資從其投資範圍中排除，以減少對環境和社會的潛在負面影響。對於證券化投資，如資產支持證券（ABS），還將根據投資經理的專有評分方法進行評估。現金可能被視為符合「排除方法」的特點，當現金存放在機構或投資於通過投資經理ESG質量閾值的貨幣市場基金中時（「排除方法」）。因此，投資管理機構藉由排除某些被認為對ESG因素有害的投資來促進環境和/或社會特徵。

有關該基金的排除內容的更多信息，請參閱基金的網站揭露，您可以通過以下網址獲取 www.mandg.com/country-specific-fund-literature。

永續性指標係衡量該金融產品所提倡之環境或社會特徵被實踐的程度。

為達到基金所提倡的環境和/或社會特徵，基金並沒有設定績效標準。

● 本產品使用什麼永續性指標衡量產品所倡導之所有環境和/或社會特徵的實踐情況？

選擇用以展現所倡導之環境和/或社會特徵之實踐情況的永續性指標為：

- 排除法：被排除的投資占總資產淨值之百分比
- 排除法：低於投資管理機構的遵循門檻之ABS占總資產淨值之百分比

● 金融產品部分擬進行的永續性投資的目標是什麼？以及永續性投資如何為這些目標做出貢獻？

基金可以分配給任何類型的永續性投資，如具有環境和/或社會目標的投資。本基金並無偏好於任何特定類型的永續性投資。

投資管理機構使用一系列基於可用數據的專有檢測，以確定某項投資是否及如何對環境和社會目標做出積極貢獻。

主要不利衝擊是指投資決策對環境、社會和員工事務、人權尊重、反貪腐與反賄賂事務等永續性因素所造成的重大負面影響。

● 金融產品部分擬進行的永續性投資如何不對任何環境或社會的永續性投資目標造成重大損害？

本基金擬進行的永續性投資不會對任何環境或社會的永續性投資目標造成傷害，因這些投資須通過一系列檢測，包含：

1. 投資是否大量曝險於投資管理機構認為有傷害性的商業行為
2. 被認為使投資不符永續性發展的主要不利衝擊指標（違反聯合國全球盟約原則或OECD多國企業指導綱領的行為、主權國家的社會違規行為，如受到制裁、對生物多樣性敏感地區的負面影響）
3. 其他主要不利衝擊指標構成實質性評估的一部份，以了解任何曝險是否符合永續性投資的要求。

● 永續性因素的不利衝擊指標如何被考慮？

投資管理機構之研究過程包含考慮所有具可用數據之投資（不僅是永續性投資）之主要不利衝擊指標，這使得投資管理機構能做出有根據的投資決策。

本基金對主要不利衝擊指標的考慮，係作為了解基金投資標的其經營方式之一部份。

基金之投資標的將持續接受監測和季度審查。

有關投資管理機構有關考慮主要不利衝擊指標之更多信息，請參閱投資管理機構網站上所揭露之基金附件資料。

● 永續性投資如何符合OECD多國企業指導綱領及聯合國工商企業與人權指導原則？

基金購買的所有投資必須通過投資管理機構的良好治理檢測，此外，永續性投資也必須通過此檢測，以確保它們沒有重大傷害，如上所述。檢測包含對OECD指導綱領及聯合國指導原則的考量。



歐盟分類法訂立「不造成重大損害」原則。根據本原則，遵守分類法的投資不應嚴重損害歐盟分類法的目標，並附有具體的歐盟標準。

「不造成重大損害」原則只適用於考慮歐盟環境永續經濟活動標準的金融產品投資。其餘的金融商品投資並不考慮歐盟環境永續經濟活動標準。

任何其他永續性投資同樣不得對環境或社會目標有重大傷害。

本金融產品是否考慮對永續性因素的主要不利衝擊？

☒ 是，對於永續性投資來說，主要不利衝擊為評估該投資是否造成重大傷害（如上文所解釋）的一關鍵環節。對於其他投資來說，投資管理機構的研究過程包含針對所有具可用數據的投資之主要不利衝擊指標的考慮，使投資管理機構能做出明智的投資決策（如上文所解釋）。

關於投資管理機構所考慮的主要不利衝擊指標的詳細資訊，可於投資管理機構的網站公開之附件中參閱。關於主要不利衝擊如何被納入考量的資訊將會在本基金的年報中提供。

☐ 否



本金融產品遵循什麼投資策略？

對ESG因素的考慮完全整合入分析及投資決策。

為了識別購買的資產，投資管理機構用下列方法縮小投資範圍：

- 1 在ESG分類標準列出的排除項目將被篩選排除
- 2 在縮小後的投資範圍中，投資管理機構執行更進一步的分析，包含對ESG因素的考慮，以識別及利用投資機會。

本基金的ESG分類標準適用於至少：

- 90%由已開發國家之大型資本公司發行的股票；債務證券、投資等級的貨幣市場工具；和由已開發國家發行的主權債券。
- 75%由開發中國家之大型資本公司發行的股票；由任何國家之中小型資本公司發行的股票；債務證券、投資等級的貨幣市場工具；和由開發中國家發行的主權債券。

● 實現本金融產品所倡導之所有環境或社會特徵時，投資策略的約束性要素為何？

以下為約束性要素，作為該基金之部分投資策略：

- 本基金所排除的投資
- 與本基金所提倡之環境和/或社會特徵相一致的數額，如同「本金融產品計畫的資產分配為何？」一節中所述
- 永續性投資的最低水準，如同如「本金融產品計畫的資產分配為何？」一節中所述

在符合投資者最佳利益的情況下，本基金可能會暫時偏離一個或多個上述之要素。舉例來說，投資管理機構可能會認為在目前市場條件下持有高水位的現金較為恰當。

● 在應用特定投資策略前，用以縮小考慮的投資範圍之承諾最低利率為何？

0%

投資策略引導基於投資目標、風險管理等因素的投資決策。

良好治理實踐包含健全的管理結構、員工關係、員工薪酬和稅務遵循。

● 用以評估投資標的公司之良好治理實踐的政策有哪些？

投資管理機構考慮投資公司時，會使用以數據驅動的量化良好治理檢測以評估之。M&G會排除被認為未能通過良好治理檢測的證券投資。在評估良好治理實踐時，投資管理機構至少會考慮良好治理的四大支柱（健全的管理結構、員工關係、員工薪酬與稅務遵循）等相關事項。



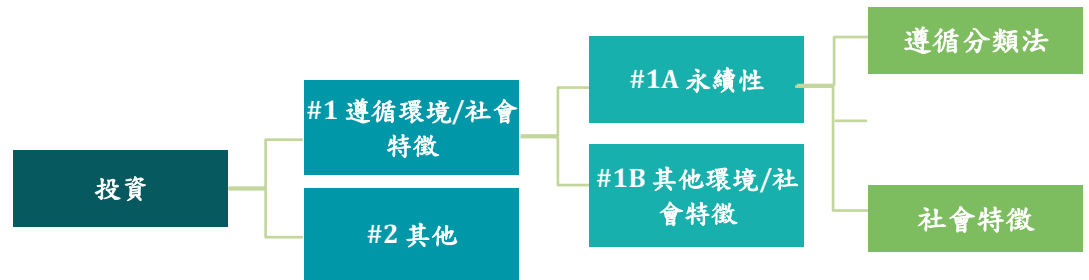
本金融產品計畫的資產分配為何？

投資管理機構計劃本基金將有至少70%的投資會遵循對環境/社會特徵的提倡，至少有20%的投資屬於永續性投資。

資產分配指於特定資產的投資份額。

遵循分類法的活動能被表示成以下幾類：

- **營收**反映投資標的公司由綠色活動所產生的營收份額。
- **資本支出**反映投資標的公司的綠色投資，如對綠色經濟的轉換。
- **營運支出**反映投資標的公司的綠色營運活動。



- #1遵循環境/社會特徵包含用於實現環境或社會特徵的金融產品投資。
- #2其他包含剩下的金融產品投資，產品既不遵循環境和社會特徵，也非被分類為永續性投資。
- 分類#1遵循環境/社會特徵包含：
 - 子分類#1A永續性包含擁有環境及社會目標的永續性投資
 - 子分類#1B其他環境/社會特徵包含非歸類為永續性投資之投資。

● 衍生性商品的使用如何達成本金融產品所提倡的環境或社會特徵？

根據以下情形來考慮，衍生性商品可能與所提倡之環境和/或社會特徵相一致：

排除：

- 1 若衍生性商品代表對單一名稱之曝險，則該名稱須為基金所允許之投資。
- 2 若衍生性商品代表對多元化金融指數之曝險，則須提出具有可證明與所提倡特徵相一致性之特性。



永續投資中，具有環境目標之投資與歐盟分類法有多少最低程度之一致性？

雖然最低強制性可分類環境永續投資比例為0%，但基金可分配到此類投資，並將其作為整體永續投資中具有環境目標之一部分。

● 該金融產品是否投資於符合歐盟分類法的化石燃氣和/或核能相關活動？

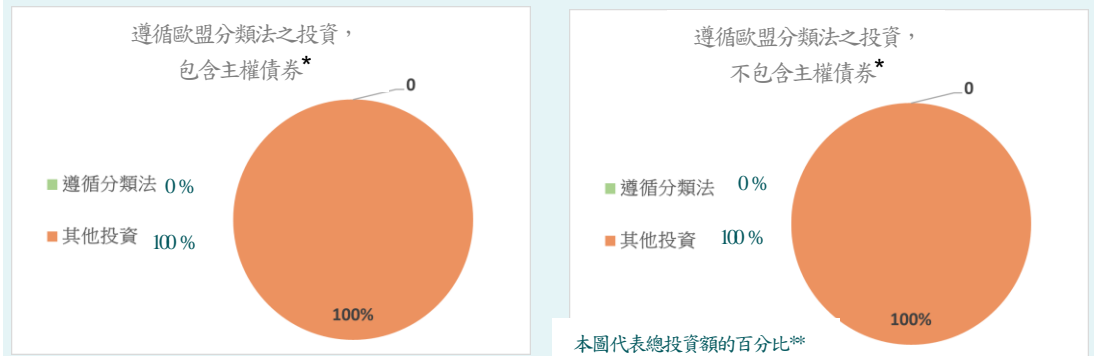
- ☐ 是：☐ 化石燃氣 ☐ 核能
- ☒ 否

僅當化石燃氣和/或核能相關活動有助於限制氣候變化（“氣候變化減緩”），並且不會對任何歐盟分類法目標造成重大損害時，這些活動才符合歐盟分類法。請參見左邊的說明註釋。符合歐盟分類法的化石燃料和核能經濟活動的完整標準已在Commission Delegated Regulation (EU) 2022/1214中明確規定。

扶持活動直接扶持其他活動，使其對環境目標有顯著貢獻。

過渡性活動為低碳替代方案還未適用時所進行的活動，其相較其他活動有最佳的溫室氣體排放表現。

以下兩張圖表顯示遵循歐盟分類法之最低投資比例。由於沒有適當方法以確定主權債券之遵循程度，第一張圖顯示所有與包含主權債券在內所有金融商品有關投資之遵循程度，第二張圖僅顯示不含主權債券在內所有與金融產品有關投資之遵循程度。



* 出於上方圖表之目的，「主權債券」包括所有主權曝險

** 由於沒有分類標準，若排除主權債券（即分類標準投資百分比保持為0%），並不會對圖表產生影響，因此管理機構認為無需提及此信息。

● 對扶持活動和過渡性活動投資的最小比例為何？

0%



指沒有考慮歐盟分類法針對環境永續性經濟活動指標之環境永續性投資。



具不遵循歐盟分類法的環境目標之永續性投資的最小比例為何？

5%



社會永續性投資的最小比例為何？

5%



什麼投資被分類於「#2 其他」？它們的目的為何？是否有任何最低限度的環境或社會保障措施？

本於基金投資政策所允許的任何目的，本基金可持有現金、約當現金和貨幣市場基金、外匯、利率衍生性商品和作為「其他」投資之類似衍生性商品（可能包括特定的技術性交易，如用於期限交易的政府公債期貨）。本基金不適用最低限度的環境或社會保障措施。

用於使投資曝險於多元化金融指數（不包含技術性交易）和基金（及UCITS和其他UCI）的之投資風險的衍生性商品，能以基金投資政策允許的任何理由所持有，並將接受投資管理機構認為適當的最低環境或社會保障檢測，例如最低加權ESG得分檢測。

當資料不足以辨識投資是否遵循被提倡的特徵時，本基金也可能會持有「其他」投資。

本基金也有可能持有不遵循被提倡的特徵之投資，例如：由於併購或其他企業行為，或由於之前取得的投資產生變化。當上述情況發生時，本基金在符合股東最佳利益的情況下，嘗試賣出資產，但不一定總會立即行動。



是否有一個特定的指數被指定作為參考指標，以確定本金融產品有遵循其所倡導的環境和/或社會特徵？

否

- 參考指標如何持續地與本金融產品所倡導的環境和/或社會特徵保持一致？

不適用

- 如何持續地確保投資策略與該指數遵循方法保持一致？

不適用

- 該指定指數與大盤指數有何不同？

不適用

- 哪裡可以找到用於計算該指定指數的方法？

不適用

參考指標為用以衡量金融產品是否達成其提倡的環境與社會特徵之指數。



我在哪裡可以找到更多的產品詳細資訊？
更多的產品詳細資訊請參閱網站：
www.mandg.com/country-specific-fund-literature

本先契約文件自2024年6月26日起生效

產品名稱: M&G新興市場債券基金

法人機構識別碼: 549300VL49SAAQZU3D08

環境及/或社會特徵

永續投資是指對一項經濟活動的投資，該活動有助於環境或社會目標的實現，前提是該投資不會對任何環境或社會目標造成重大損害，且被投資公司遵循良好的治理實踐。

歐盟分類法是法規 (EU) 2020/852 中規定的分類系統，建立了**環境永續經濟活動清單**。該法規不包括社會永續經濟活動的清單。具有環境目標的永續投資可能與分類法一致或不一致。

本金融商品是否具有永續投資目標？

☒ 是

☐ 否

☐ 將進行最低度的**環境目標永續投資**：

☐ 符合歐盟分類法的環境永續經濟活動

☐ 不符合歐盟分類法的環境永續經濟活動

☐ 將進行最低度的**社會目標永續投資**

☒ 具有提倡環境/社會(E/S)特徵，雖無將永續投資作為目標，惟其至少占永續投資之20%

☐ 經濟活動之環境目標，符合歐盟分類法之環境永續性

☐ 經濟活動之環境目標，不符合歐盟分類法之環境永續性

☒ 具有社會目標

☐ 具有提倡E/S特徵，但不做任何永續投資



該金融產品提倡哪些環境及/或社會特徵？

本基金提倡使用排除法（定義如下）：

本基金自其投資範疇中排除了某些潛在的投資，以降低對於環境與社會的潛在負面影響。對於證券化投資，如資產支持證券（ABS），還將根據投資經理的專有評分方法進行評估。現金可能被視為符合「排除方法」的特點，當現金存放在機構或投資於通過投資經理ESG質量閾值的貨幣市場基金中時（「排除方法」）。因此，投資管理機構藉由排除某些被認為對ESG因素不利的投資，來促進某些環境和/或社會特徵。

有關該基金的排除內容的更多信息，請參閱基金的網站揭露，您可以通過以下網址獲取 www.mandg.com/country-specific-fund-literature。

為達到基金所提倡的環境和/或社會特徵，基金並沒有設定績效標準。

永續性指標係衡量該金融產品所提倡之環境或社會特徵被實踐的程度。

● 本產品使用什麼永續性指標衡量產品所倡導之所有環境和/或社會特徵的實踐情況？

選擇用以展現所倡導環境和/或社會特徵之實踐情況之永續性指標為：

- 排除法：被排除的投資占總資產淨值之百分比（%）
- 排除法：低於投資經理的一致性門檻的占總資產抵押債券之百分比（%）

- **金融產品部分欲達成的永續性投資的目標是什麼？以及永續性投資如何為這些目標做出貢獻？**

基金可以分配給任何類型的永續性投資，如具有環境和/或社會目標的投資。本基金並無偏好於任何特定類型的永續性投資。

投資管理機構使用一系列基於可用數據的專有檢測，以確定某項投資是否及如何對環境和社會目標做出積極貢獻。

主要不利衝擊是指投資決策對環境、社會和員工事務、人權尊重、反貪腐與反賄賂事務等永續性因素所造成的重大負面影響。

- **金融產品部分擬進行的永續性投資如何不對任何環境或社會的永續性投資目標造成重大損害？**

本基金擬進行的永續性投資不會對任何環境或社會的永續性投資目標造成傷害，因這些投資須通過一系列檢測，包含：

1. 投資是否大量曝險於投資管理機構認為有傷害性的商業行為
2. 被認為使投資不符永續性發展的主要不利衝擊指標（違反聯合國全球盟約原則或OECD跨國企業準則的行為、主權國家的社會違規行為，如受到制裁、對生物多樣性敏感地區的負面影響）
3. 其他主要不利衝擊指標構成實質性評估的一部份，以了解任何曝險是否符合永續性投資的要求。

- **永續性因素的不利衝擊指標如何被考慮？**

投資管理機構之研究過程包含考慮所有具可用數據之投資（不僅是永續性投資）之主要不利衝擊指標，這使得投資管理機構能做出有根據的投資決策。

本基金對主要不利衝擊指標的考慮，係作為了解基金投資標的其經營方式之一部份。

基金之投資標的將持續接受監測和季度審查。

有關投資管理機構有關考慮主要不利衝擊指標之更多信息，請參閱投資管理機構網站上所揭露之基金附件資料。

- **永續性投資如何符合OECD多國企業指導綱領及聯合國工商企業與人權指導原則？**

基金購買的所有投資必須通過投資管理機構的良好治理檢測，此外，永續性投資也必須通過此檢測，以確保它們沒有重大傷害，如上所述。檢測包含對OECD指導綱領及聯合國指導原則的考量。

歐盟分類法訂立「不造成重大損害」原則。根據本原則，遵守分類法的投資不應嚴重損害歐盟分類法的目標，並附有具體的歐盟標準。

「不造成重大損害」原則只適用於考慮歐盟環境永續經濟活動標準的金融產品投資。該金融商品其餘投資並不考慮歐盟環境永續經濟活動標準。

任何其他永續性投資同樣不得對環境或社會目標有重大傷害。



本金融產品是否考慮對永續性因素的主要不利衝擊？

- ☒ 是，對於永續性投資來說，主要不利衝擊為評估該投資是否造成重大傷害（如上文所解釋）的一關鍵環節。對於其他投資來說，投資管理機構的研究過程包含針對所有具可用數據的投資之主要不利衝擊指標的考慮，使投資管理機構能做出明智的投資決策（如同上文所解釋的）。

有關投資管理機構所考量主要不利衝擊指標之更多資訊，請參閱投資管理機構網站揭露之基金附件內容。本基金的年報亦將提供主要不利衝擊如何被考量之資訊。

☐ 否



本金融產品遵循什麼投資策略？

對ESG因素的考慮完全整合入分析及投資決策。

為了識別購買的資產，投資管理機構用下列方法縮小投資範圍：

1. 在ESG分類標準列出的排除項目將被篩選排除
2. 接著，投資管理機構將進一步分析，包含對ESG因素的考慮，以辨識及利用投資機會。

本基金的ESG分類標準適用於至少：

- 90%由已開發國家之大型資本公司發行的股票；債務證券、投資等級的貨幣市場工具；和由已開發國家發行的主權債券。
- 75%由開發中國家之大型資本公司發行的股票；由任何國家之中小型資本公司發行的股票；債務證券、投資等級的貨幣市場工具；和由開發中國家發行的主權債券。

投資策略引導基於投資目標、風險管理等因素的投資決策。

● 實現本金融產品所倡導之所有環境或社會特徵時，投資策略的約束性要素為何？

以下為約束性要素，作為該基金之部分投資策略：

- 本基金所排除的投資
- 與本基金所提倡之環境和/或社會特徵相一致的數額，如同「本金融產品計畫的資產分配為何？」一節中所述
- 永續性投資的最低水準，如同如「本金融產品計畫的資產分配為何？」一節中所述

在符合投資者最佳利益的情況下，本基金可能會暫時偏離一個或多個上述之要素。舉例來說，投資管理機構可能會認為在目前市場條件下持有高水位的現金較為恰當。

● 在應用特定投資策略前，用以縮小考慮的投資範圍之承諾最低利率為何？

0%

良好治理實踐包含健全的管理結構、員工關係、員工薪酬和稅務遵循。

● 用以評估投資標的公司之良好治理實踐的政策有哪些？

投資管理機構考慮投資公司時，會使用以數據驅動的量化良好治理檢測以評估之。M&G會排除被認為未能通過良好治理檢測的證券投資。在評估良好治理實踐時，投資管理機構至少會考慮良好治理的四大支柱（健全的管理結構、員工關係、員工薪酬與稅務遵循）等相關事項。



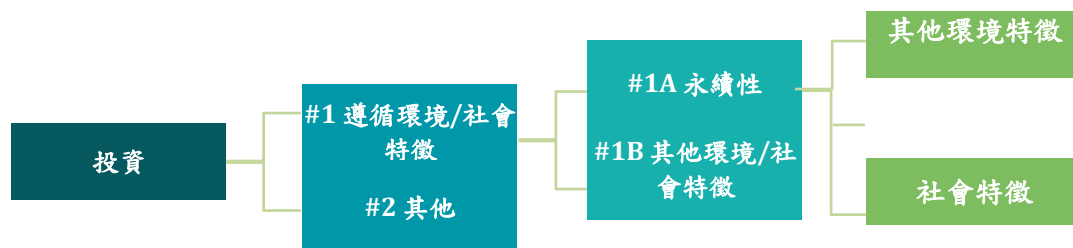
本金融產品計畫的資產分配為何？

投資管理機構計劃本基金將有至少70%的投資會遵循對環境/社會特徵的提倡，至少有20%的投資屬於永續性投資。

資產分配指於特定資產的投資份額。

遵循分類法的活動能被表示成以下幾類：

- **營收**反映投資標的公司由綠色活動所產生的營收份額。
- **資本支出（CapEx）**反映投資標的公司的綠色投資，如對綠色經濟的轉換。
- **營運支出（OpEx）**反映投資標的公司的綠色營運活動。



#1遵循環境/社會特徵包含用於實現環境或社會特徵的金融產品投資。

#2其他包含剩下的金融產品投資，產品既不遵循環境和社會特徵，也非被分類為永續性投資。

分類#1遵循環境/社會特徵包含：

- 子分類#1A永續性包含擁有環境及社會目標的永續性投資
- 子分類#1B其他環境/社會特徵包含非歸類為永續性投資之投資。

● 衍生性商品的使用如何達成本金融產品所提倡的環境或社會特徵？

根據以下情形來考慮，衍生性商品可能與所提倡之環境和/或社會特徵相一致：

排除：

- 1 若衍生性商品代表對單一名稱之曝險，則該名稱須為基金所允許之投資。
- 2 若衍生性商品代表對多元化金融指數之曝險，則須提出具有可證明與所提倡特徵相一致性之特性。



永續投資中，具有環境目標之投資與歐盟分類法有多少最低程度之一致性？

0%

雖然最低強制性可分類環境永續投資比例為0%，但基金可分配到此類投資，並將其作為整體永續投資中具有環境目標之一部分。

● 該金融產品是否投資於符合歐盟分類法的化石燃氣和/或核能相關活動？

☐ 是：☐ 化石燃氣 ☐ 核能

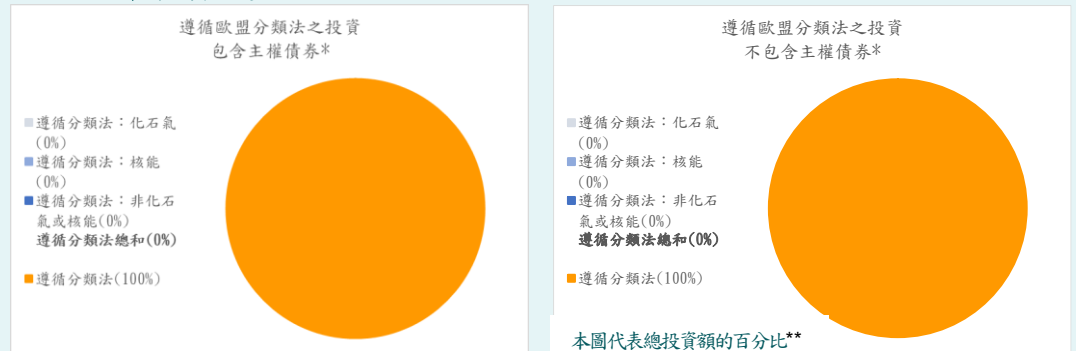
☒ 否

僅當化石燃氣和/或核能相關活動有助於限制氣候變化（"氣候變化減緩"），並且不會對任何歐盟分類法目標造成重大損害時，這些活動才符合歐盟分類法。請參見左邊的說明註釋。符合歐盟分類法的化石燃料和核能經濟活動的完整標準已在Commission Delegated Regulation (EU) 2022/1214中明確規定。

扶持活動直接扶持其他活動，使其對環境目標有顯著貢獻。

過渡性活動為低碳替代方案還未適用時所進行的活動，其相較其他活動有最佳的溫室氣體排放表現。

以下兩張圖表顯示遵循歐盟分類法之最低投資比例。由於沒有適當方法以確定主權債券之遵循程度，第一張圖顯示所有與包含主權債券在內所有金融商品有關投資之遵循程度，第二張圖僅顯示不含主權債券在內所有與金融產品有關投資之遵循程度。



*出於上方圖表之目的，「主權債券」包括所有主權曝險

**由於沒有分類標準，若排除主權債券（即分類標準投資百分比保持為0%），並不會對圖表產生影響，因此管理機構認為無需提及此信息。

● 對扶持活動和過渡性活動投資的最小比例為何？

0%



指沒有考慮歐盟分類法針對環境永續性經濟活動的指標之環境永續性投資。



具不遵循歐盟分類法的環境目標之永續性投資的最小比例為何？

5%



對社會永續性投資的最小比例為何？

5%



什麼投資被分類於「#2 其他」？它們的目的為何？是否有任何最低限度的環境或社會保障措施？

本於基金投資政策所允許的目的，本基金可持有現金、約當現金和貨幣市場基金以及作為「其他」投資之衍生性商品。除了下述說明以外，並不適用最低限度的環境或社會保障措施。

用於使投資曝險於多元化金融指數（不包含技術性交易）和基金（及UCITS和其他UCI）的之投資風險的衍生性商品，能以基金投資政策允許的任何理由所持有，並將接受投資管理機構認為適當的最低環境或社會保障檢測，例如最低加權ESG得分檢測。

當資料不足以辨識投資是否遵循被提倡的特徵時，本基金也可能會持有「其他」投資。

本基金也有可能持有不遵循被提倡的特徵之投資，例如：由於併購或其他企業行為，或由於之前取得的投資產生變化。當上述情況發生時，本基金在符合股東最佳利益的情況下，嘗試賣出資產，但不一定總會立即行動。



是否有一個特定的指數被指定作為參考指標，以確認本金融產品有遵循其所倡導的環境和/或社會特徵？

否

- 參考指標如何持續地與本金融產品所倡導的環境和/或社會特徵保持一致？

不適用

- 如何持續地確保投資策略與該指數遵循方法保持一致？

不適用

- 該指定指數與大盤指數有何不同？

不適用

- 哪裡可以找到用於計算該指定指數的方法？

不適用

參考指標為用以衡量金融產品是否達成其提倡的環境與社會特徵之指數。



我在哪裡可以找到更多的產品詳細資訊？

更多的產品詳細資訊請參閱網站：

www.mandg.com/country-specific-fund-literature

M&G (Lux) Investment Funds 1

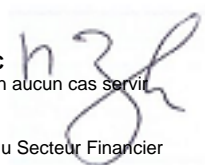
Prospectus

Société d'investissement à capital variable (SICAV) established in Luxembourg as an Undertaking for Collective Investment Schemes (UCITS) umbrella fund with segregated liability between sub-funds

23 October 2024

VISA 2024/177845-8975-0-PC

L'apposition du visa ne peut en aucun cas servir
d'argument de publicité
Luxembourg, le 2024-10-22
Commission de Surveillance du Secteur Financier

A handwritten signature in blue ink, appearing to be "h3h", is written over the official stamp.

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Important information for investors

If you are in any doubt as to the contents of this prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

The Directors, whose names appear in the Directory:

Accept joint responsibility for the information and statements contained in this Prospectus;

Have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects at the date hereof and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion; and

Accept responsibility for the information contained in this Prospectus accordingly.

M&G (Lux) Investment Funds 1 (the "Company") is an investment company organised under the laws of the Grand Duchy of Luxembourg as a *société d'investissement à capital variable*, is governed by Part I of the UCI Law and qualifies as a UCITS.

No person has been authorised by the Company to give any information or make any representations in connection with the offering of Shares other than those contained in this Prospectus or any other document approved by the Company or the Management Company, and, if given or made, such information or representations must not be relied on as having been made by the Company.

This Prospectus may only be issued with one or more Fund Supplements (each a "Fund Supplement"), each containing information relating to a separate Fund. The creation of new Funds requires the prior approval of the CSSF. This Prospectus and the Fund Supplements should be read and construed as one document. To the extent that there is any inconsistency between this Prospectus and a Fund Supplement, the Fund Supplement shall prevail.

The creation of further classes of Shares will be effected in accordance with the requirements of the CSSF.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Fund Supplement) and the key information document (the "KID").

The latest annual report including the audited financial statements and the latest half-yearly report including the unaudited financial statements may be obtained from the offices of the Registrar and Transfer Agent. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

The Funds may target both retail and institutional investors. The profile of the typical investor for each Fund is described in each Fund Supplement.

The provisions of the Articles are binding on each of its Shareholders (who are taken to have notice of them).

This Prospectus is based on information, law and practice currently in force in Luxembourg (which may be subject to change) at the date hereof. The Company cannot be bound by an out of date Prospectus when it has issued a new Prospectus, and investors should check with the Administrator or the Global Distributor that this is the most recently published Prospectus.

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, notably the right to participate in general shareholders' meetings, if the investor is registered him/her/it-self and in his own name in the shareholders' register. In cases where an investor invests in the Company through an intermediary investing into the Company in his own name but on behalf of the investor, (i) it may not always be possible for the investor to exercise certain shareholder rights directly against the Company, and (ii) investors' rights to indemnification in the event of net asset value errors/non-compliance with the investment rules applicable to a Fund may be impacted and only exercisable indirectly.

Complaints concerning the operation or marketing of the Company may be referred to the Management Company (and Global Distributor) or the Registrar and Transfer Agent (telephone: +352 2605 9944 or email:csmandg@caceis.com).

This Prospectus and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of Luxembourg. With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with this Prospectus (including any non-contractual obligations arising out of or in connection with it), each party irrevocably submits to the jurisdiction of the courts of Luxembourg.

Restrictions on distribution and sale of shares

Shares are not being offered or sold in any jurisdiction where the offer or sale is prohibited by law or to any person not qualified for that purpose.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted or prohibited. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about, and to observe, any such restrictions. No persons receiving a copy of this Prospectus in any jurisdiction may treat this Prospectus as constituting an invitation, offer or solicitation to them to subscribe for Shares unless such an invitation could lawfully be made without having to comply with any registration or other legal requirements in the relevant jurisdiction.

It is the responsibility of any recipient of this Prospectus to confirm and observe all applicable laws and regulations. The following information is provided as a general guide only.

Luxembourg - The Company is registered pursuant to Part I of the UCI Law. However, such registration does not represent a guarantee from any Luxembourg authority on the adequacy or accuracy of the content of this Prospectus or the assets held in the various Funds. Any representations to the contrary are unauthorised and unlawful.

The Company may make applications to register and distribute its Shares in jurisdictions outside Luxembourg and may be required to appoint payment agents, representatives, distributors or other agents in the relevant jurisdictions.

European Union - The Company is a UCITS for the purposes of the UCITS Directive and the Directors propose to market the Shares in accordance with the UCITS Directive in certain member states of the EU/the EEA.

Non-European Union - The Directors may apply to register and distribute selected Shares of Funds in certain non-EU / non-EEA jurisdictions.

As at the date of this Prospectus, the Shares of the Funds are not registered and distributed in the following jurisdictions:

- Australia

This Prospectus is not a prospectus or product disclosure statement under the Corporations Act 2001 (Cth) ("Corporations Act") and does not constitute a recommendation to acquire, an invitation to apply for, an offer to apply for or buy, an offer to arrange the issue or sale of, or an offer for issue or sale of, any securities in Australia except as set out below. The Company has not authorised nor taken any action to prepare or lodge with the Australian Securities & Investments Commission an Australian law compliant prospectus or product disclosure statement.

Accordingly, this Prospectus may not be issued or distributed in Australia and the Shares in the Company may not be offered, issued, sold or distributed in Australia by the AIFM, or any other person, under this Prospectus other than by way of or pursuant to an offer or invitation that does not need disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act or otherwise.

This Prospectus does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of Shares to a 'retail client' (as defined in section 761G of the Corporations Act and applicable regulations) in Australia.

- Brunei

This Prospectus relates to a private collective investment scheme under the Securities Markets Order (the "Order"), 2013 and the regulations thereunder.

This Prospectus is intended for distribution only to specific classes of investors who are an accredited investor, an expert investor or an institutional investor as defined in the Order at their request and must not, therefore, be delivered to, or relied on by, a retail client.

The Authority is not responsible for reviewing or verifying any prospectus or other documents in connection with this collective investment scheme. The Authority has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus and has no responsibility for it.

The Shares to which this Prospectus relates may be illiquid or subject to restrictions on their resale. Prospective purchasers of the Shares offered should conduct their own due diligence on the Shares.

- Canada

This Prospectus pertains to the offering of the Shares described in this Prospectus only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and only by persons permitted to sell such Shares. This Prospectus is not, and under no circumstances is to be construed as, an advertisement or a public offering of the Shares described in this Prospectus in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the Shares described in this Prospectus, and any representation to the contrary is an offence.

- China

This Prospectus does not constitute a public offer of the Shares, whether by sale or subscription, in the People's Republic of China (excluding Hong Kong, Taiwan and Macau) (the "PRC"). The Shares are not being offered or sold directly or indirectly in the PRC to or for the benefit of, legal or natural persons of the PRC in the PRC.

Further, no legal or natural persons of the PRC may directly or indirectly purchase any Shares or any beneficial interest therein while in the PRC without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this Prospectus are required by the issuer and its representatives to observe these restrictions.

- Hong Kong

Warning: The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. Investors are advised to exercise caution in relation to the offer. Investors which are in any doubt about any of the contents of this Prospectus should obtain independent professional advice.

This Prospectus has not been registered by the Registrar of Companies in Hong Kong. The Company is a collective investment scheme as defined in the Securities and Futures Ordinance of Hong Kong (the "Ordinance") but has not been authorised by the Securities and Futures Commission of Hong Kong pursuant to the Ordinance. Accordingly, the Shares may only not be offered or sold in Hong Kong, by means of any document, other than to persons who are "professional investors" as defined in the Ordinance and any rules made under the Ordinance or in circumstances which do not result in the document being a "Prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong (the "CO") and the Ordinance or which do not constitute an offer to the public within the meaning of the CO. In addition, this Prospectus may not be issued or possessed for the purposes of issue, in Hong Kong, and the Shares may not be disposed of to any other person in Hong Kong unless such person is outside Hong Kong or such person is a "professional investor" as defined in the Ordinance and any rules made under the Ordinance or as otherwise may be permitted by the Ordinance.

- Indonesia

This Prospectus does not constitute an offer to sell nor a solicitation to buy Shares by the public in Indonesia.

- India

The Shares are not being offered to the Indian public for sale or subscription. The Shares are not registered and/or approved by the securities and exchange board of India, the reserve bank of India or any other governmental/ regulatory authority in India. This Prospectus is not and should not be deemed to be a 'prospectus' as defined under the provisions of the companies act, 2013 (18 of 2013) and the same shall not be filed with any regulatory authority in India. The Company does not guarantee or promises to return any portion of the money invested in the Shares by an investor and an investment in the Shares is subject to applicable risks associated with an investment in the Shares and shall not constitute a deposit within the meaning of the banning of unregulated deposits schemes act, 2019. Pursuant to the foreign exchange management act, 1999 and the regulations issued thereunder, any investor resident in India may be required to obtain prior special permission of the reserve bank of India before making investments outside of India, including any investment in the Company. The Company has not obtained any approval from the reserve bank of India or any other regulatory authority in India.

- Malaysia

As the recognition by the Malaysian Securities Commission pursuant to section 212 of the Malaysian Capital Markets and Services Act 2007 has not and will not be obtained nor will this Prospectus be lodged or registered with the Malaysian Securities Commission, the Shares will not be deemed to be issued, made available, offered for subscription or purchase within Malaysia, and neither this Prospectus nor any document or other material in connection therewith should be distributed, caused to be distributed or circulated within Malaysia.

- New Zealand

This Prospectus is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013 (the "FMCA") and does not contain all the information typically included in such offering documentation.

This offer of Shares does not constitute a "regulated offer" for the purposes of the FMCA and, accordingly, there is neither a product disclosure statement nor a register entry available in respect of the offer. Shares may only be offered to "Wholesale Investors" within the meaning of Clause 3(2) of Schedule 1 of the FMCA or other circumstances where there is no contravention of the FMCA.

- Philippines

Any person claiming an exemption under Section 10.1 of the Securities Regulation Code ("SRC") (or the exempt transactions) must provide to any party to whom it offers or sells securities in reliance on such exemption a written disclosure containing the following information:

- The specific provision of Section 10.1 of the SRC on which the exemption from registration is claimed; and
- The following statement must be made in bold face, prominent type:

THE SHARES BEING OFFERED OR SOLD HEREIN HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE OF THE PHILIPPINES. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.

THE SHARES ARE BEING SOLD TO THE INVESTOR ON THE UNDERSTANDING THAT IT IS A "QUALIFIED BUYER" AS DEFINED UNDER 10.1(1) OF THE CODE, AND CONSEQUENTLY THIS TRANSACTION IS EXEMPT FROM REGISTRATION REQUIREMENTS.

BY A PURCHASE OF THE SHARES, THE INVESTOR WILL BE DEEMED TO ACKNOWLEDGE THAT THE ISSUE OF, OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR INVITATION TO SUBSCRIBE FOR OR PURCHASE, SUCH SHARES WAS MADE OUTSIDE THE PHILIPPINES.

- Singapore

Save for the Funds (the "Recognised Funds") stated in the Singapore prospectus of the Company (which annexes and incorporates this Prospectus) registered by the Monetary Authority of Singapore ("MAS") under section 296(1) of the Securities and Futures Act ("SFA"), the Funds are not authorised or recognised by the MAS.

Where this Prospectus forms part of a "Singapore Information Memorandum" for the offer of Shares (the "Relevant Shares") of the Funds stated in the Singapore Information Memorandum as restricted schemes under the Sixth Schedule to the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005, the offer or invitation to subscribe for or purchase the Relevant Shares which is the subject of the Singapore Information Memorandum is an exempt offer made only: (i) to "institutional investors" pursuant to Section 304 of the Securities and Futures Act 2001 (the "SFA"), (ii) to "relevant persons" pursuant to Section 305(1) of the SFA, (iii) to persons who meet the requirements of an offer made pursuant to Section 305(2) of the SFA, and/or (iv) pursuant to, and in accordance with the conditions of, other applicable exemption provisions of the SFA.

No exempt offer or invitation to subscribe for or purchase the Relevant Shares may be made, and no document (including the Singapore Information Memorandum) relating to the exempt offer of the Relevant Shares may be circulated or distributed (whether directly or indirectly) to any person in Singapore except in accordance with the restrictions and conditions under the SFA. **Notwithstanding the status of the Recognised Funds, the offer or invitation that is the subject of the Singapore Information Memorandum must not be made to the retail public in Singapore.** By subscribing for the Relevant Shares pursuant to the exempt offer under the Singapore Information Memorandum, you must comply with the restrictions and conditions under the SFA in relation to your offer, holding and subsequent sale or transfer of the Relevant Shares.

Where the Relevant Shares are subscribed or purchased under section 305 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Relevant Shares pursuant to an offer made under section 305 of the SFA except:
- to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in section 275(1A) or section 305A(3)(c)(ii) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in section 305A(5) of the SFA; or
- as specified in regulation 36A of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

The Singapore Information Memorandum is not a prospectus as defined in the SFA and accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply. The MAS assumes no responsibility for the contents of the Singapore Information Memorandum. You should consider carefully whether the investment is suitable for you and whether you are permitted (under the SFA, and any laws or regulations that are applicable to you) to make an investment in the Relevant Shares. If in doubt, you should consult your legal or professional advisor.

- Taiwan

The Shares may be made available outside Taiwan for purchase outside Taiwan by Taiwan resident investors or to investors in Taiwan through licensed financial institutions to the extent permitted under relevant Taiwan laws and regulations, but may not otherwise be offered or sold in Taiwan.

- Thailand

The Prospectus has not been approved by the Securities and Exchange Commission of Thailand which takes no responsibility for its contents. No offer to the public to purchase the Shares will be made in Thailand and this Prospectus is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

- United Arab Emirates

The Prospectus and the offer of Shares have not been approved by the United Arab Emirates Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This Prospectus is strictly private and confidential and has not been reviewed, deposited or registered with any licensing authority or governmental agency in the United Arab Emirates. This Prospectus is being issued to a limited number of Corporate Persons in United Arab Emirates or outside of United Arab Emirates and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose by such original recipient. The Shares may not be offered or sold directly or indirectly to the public in the United Arab Emirates.

- United States

The Shares in the Company have not been and will not be registered under the United States Securities Act of 1933, as amended, or registered or qualified under the securities laws of any state of the United States and may not be offered, sold, transferred or delivered, directly or indirectly, to any investors within the United States or to, or for the account of, US Persons except in certain limited circumstances pursuant to a transaction exempt from such registration or qualification requirements. None of the Shares have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Shares or the accuracy or adequacy of the Prospectus. The Company will not be registered under the United States Investment Company Act of 1940, as amended.

The Articles give powers to the Directors to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Company are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Directors might result in the Company incurring any liability or taxation or suffering any other disadvantage which the Company may not otherwise have incurred or suffered and, in particular, due to US Persons being invested in the Company. The Company may compulsorily redeem all Shares held by any such person.

The Management Company reserves the right to request a written representation from investors stating their compliance with the above restrictions prior to accepting subscription requests.

The value of the Shares may fall as well as rise and a Shareholder on transfer or redemption of Shares may not get back the amount he initially invested. Income from the Shares may fluctuate in money terms and changes in rates of exchange may cause the value of Shares to go up or down. The levels and basis of, and reliefs from taxation may change. There can be no assurance that the investment objectives of any Fund will be achieved.

Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, switch, redemption or disposal of the Shares of the Company.

Further copies of this Prospectus and the latest KID may be obtained from the Registrar and Transfer Agent.

Generally

This Prospectus, any Fund Supplements and the KIDs may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus, Fund Supplements and the KID. To the extent that there is any inconsistency between the English language Prospectus/ Fund Supplements/ KID and the Prospectus/ Fund Supplements/ KID in another language, the English language Prospectus/ Fund Supplements/ KID will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a prospectus or a KID in a language other than English, the language of the Prospectus/ Fund Supplement/ KID on which such action is based shall prevail.

Investors should read and consider the section entitled "Risk Factors" before investing in the Company. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund. There is no guarantee that any Fund will meet its objective or achieve any particular level of performance.

The Company does not represent an obligation of, nor is it guaranteed by, the Management Company, the Investment Manager, the Depositary or any other person or entity.

Directory

Registered Office of the Company

16, Boulevard Royal
L-2449 Luxembourg
Luxembourg

Board of Directors of the Company

Laurence Mumford, chair
Philip Jelfs
Susanne Van Dootin, independent director
Yves Wagner, independent director
Nadya Wells, independent director

Management Company, Global Distributor and Domiciliary Agent

M&G Luxembourg S.A.
16, boulevard Royal
L-2449 Luxembourg
Luxembourg

Board of Directors of the Management Company

Neal Brooks
Matthias Dörscher
Sean Fitzgerald
Micaela Forelli
Darren Judge
Keith Burman, Independent Director

Conducting Officers of the Management Company

Matthias Dörscher – IT, including Distribution Operations
Forbes Fenton - Portfolio Management
Micaela Forelli – Branch Oversight and Marketing
Olalekan Hassan - Finance
Darren Judge – Operations and Valuation
Remi Kamiya – Risk Management
Elina Vincent - Financial Crime Compliance and, by interim, Compliance

Investment Manager

M&G Investment Management Limited
10 Fenchurch Avenue
London EC3M 5AG
United Kingdom

Sub-Investment Managers

M&G Investments (Singapore) Pte. Ltd.
138 Market Street, #35-01 CapitaGreen
Singapore 048946

M&G Investments (USA) Inc.

30 South Wacker Drive, Suite 3750
Chicago 60606
Illinois
United States of America

Investment Adviser

responsAbility Investments AG

Zollstrasse 17
8005 Zürich
Switzerland

Administrator

State Street Bank International GmbH, Luxembourg Branch

49 Avenue J.F. Kennedy
L-1855 Luxembourg

Depository

State Street Bank International GmbH, Luxembourg Branch

49 Avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

Registrar and Transfer Agent

CACEIS BANK, LUXEMBOURG BRANCH

5, Allée Scheffer L-2520 Luxembourg
Luxembourg

Auditor

Ernst & Young S.A.

35E, avenue John F. Kennedy
L-1855 Luxembourg
Luxembourg

Legal Advisers

Elvinger Hoss Prussen, société anonyme

2, place Winston Churchill
L-1340 Luxembourg
Luxembourg

Definitions

Defined terms

The following terms have these specific meanings and are qualified in their entirety by reference to the more detailed information included in this Prospectus. All references to laws and documents apply to those laws and documents as amended from time to time.

2010 Law or UCI Law	The Luxembourg law of 17 December 2010 on undertakings for collective investment. Words and expressions that are not defined in the Prospectus but are defined in the 2010 Law have the same meaning as in the 2010 Law.
Accumulation Shares	Shares in respect of which all earnings are accumulated and added to the capital property of a Fund.
Administration Agreement	The administration agreement dated 5 December 2016 pursuant to which the Administrator is appointed to provide services with respect to the Company.
Administrator	State Street Bank International GmbH, Luxembourg Branch.
Articles	Articles of incorporation of the Company.
AUD	Australian Dollar.
Auditor	Ernst & Young S.A.
Base Currency	The base currency of the Company, which is the Euro
Benchmark Regulation	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014).
Board of Directors	The board of directors of the Company.
BRL	Brazilian Real.
Business Day	Unless otherwise stated in a Fund Supplement, any day when the banks are fully open for normal banking business in both England and Luxembourg. For clarification purposes, 24 December and 31 December will be considered Business Days, unless they fall on the weekend.
Caisse de Consignation	The Luxembourg government agency responsible for safekeeping unclaimed assets.
Contingent Deferred Sales Charge or CDSC	A charge deducted from the redemption proceeds of Class X Shares which are redeemed within 3 years of the original subscription date and decreasing for each year the Shareholder remains invested from the original subscription date.
CHF	Swiss Franc.
Class or Class of Shares or Share Class	A class of Shares in issue or to be issued within each Fund.
CNH	Chinese offshore RMB, accessible outside the PRC and traded primarily in Hong Kong. The value of CNY (onshore) and CNH (offshore) may be different.

CNY	Chinese onshore RMB accessible within the PRC.
Company	M&G (Lux) Investment Funds 1.
CSDCC	The China Securities Depository and Clearing Corporation Limited.
CSSF	The Luxembourg <i>Commission de Surveillance du Secteur Financier</i> or its successor, the Luxembourg regulatory authority in charge of the supervision of UCIs in the Grand-Duchy of Luxembourg.
CSSF Circular 04/146	The CSSF Circular 04/146 of 17 June 2004 regarding the protection of undertakings for collective investment and their investors against late trading and market timing practices, as amended.
CSSF Regulation 12/02	The CSSF Regulation 12/02 of 14 December 2012 on the fight against money laundering and terrorist financing, as amended.
Currency Hedged Share Classes	Classes where a currency hedging strategy is applied.
Dealing Day	Any Business Day, unless otherwise stated in a Fund Supplement.
Dealing Request Deadline	13.00 hours (Luxembourg time) on each Dealing Day or such other time as the Directors may determine.
Depository	State Street Bank International GmbH, Luxembourg Branch
Depository Agreement	The depository agreement dated 5 December 2016 pursuant to which the Depository is appointed to provide depository services to the Company.
Directors	The members of the board of directors of the Company for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time.
Distribution Shares	Shares in respect of which dividends may be distributed periodically to Shareholders.
Domiciliary Agent	M&G Luxembourg S.A.
Eligible Counterparties	<p>Entities designated as Eligible Counterparties per se in Article 30 (2) of Directive 2014/65/EU on markets in financial instruments as well as the entities qualifying as Eligible Counterparties in accordance with their national law as per the provisions of Article 30 (3) of Directive 2014/65/EU and Article 71 (1) of Commission Delegated Regulation 2017/565/EU. Eligible Counterparties per se are:</p> <ul style="list-style-type: none"> • investment firms; • credit institutions; • insurance companies; • pension funds and their management companies; • UCITS and their management companies; • financial institutions authorised or regulated under European Union law or under the national law of a EU Member State; • national governments and their corresponding offices including public bodies that deal with public debt at national level; and • central banks and supranational organisations. <p>For the purpose of the Share Classes eligibility requirements, investment firms, credit institutions and authorised and regulated financial institutions referred to above must subscribe in the Share Classes on their own behalf or through structures managing their own assets.</p>

European Market Infrastructure Regulation ("EMIR")	EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories, as amended by EU Regulation 2019/834.
ESMA	The European Securities and Markets Authority or its successor authority, an independent EU Authority that contributes to safeguarding the stability of the EU's financial system by ensuring the integrity, transparency, efficiency and orderly functioning of securities markets, as well as enhancing investor protection.
ESMA Guidelines 2014/937	The guidelines on ETFs and other UCITS issues published on 1 August 2014 by ESMA (ESMA/2014/937) as implemented in Luxembourg and entered into force on 1 October 2014 as may be amended, supplemented and/or implemented from time to time.
EU	The European Union.
EU Member State	A member state of the European Union.
EUR	Euro.
FATCA	The provisions of the US HIRE Act generally referred to as the Foreign Account Tax Compliance Act.
Fund	A specific pool of assets established within the Company, within the meaning of Article 181 of the UCI Law.
Fund Supplement	A supplement to this Prospectus specifying certain information in respect of a Fund.
GBP	British Pound Sterling or Sterling.
Global Distributor	M&G Luxembourg S.A.
Group or Group of Companies	Companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules, as amended.
Hard Currency	<p>A currency that is widely accepted for international payments. It usually comes from a country that has a strong and stable economic and political situation.</p> <p>Typically, the most tradable currencies in the world are the US Dollar, Euro, Japanese Yen, British Pound, Swiss Franc, Canadian Dollar, Australian Dollar, New Zealand Dollar and South African Rand.</p>
High Water Mark or HWM	A performance reference point used to ensure that a Performance Fee is charged only when the Net Asset Value per Share of a Share Class has increased over the Company's annual accounting period.
HKD	Hong Kong Dollar.
Hurdle	A value to surpass before a Performance Fee can be levied.
Hurdle Rate	The relevant performance fee benchmark applicable to a Fund.

Ineligible Investor	<p>Any person to whom a transfer of Shares (legally or beneficially) or by whom a holding of Shares (legally or beneficially) would or, in the opinion of the Directors, might:</p> <ul style="list-style-type: none"> • Be in breach of any law (or regulation by a competent authority) of any country or territory by virtue of which the person in question is not qualified to hold such Shares; or • Require the Company, the Management Company or the Investment Manager to be registered under any law or regulation whether as an investment fund or otherwise, or cause the Company to be required to comply with any registration requirements in respect of any of its Shares, whether in the United States of America or any other jurisdiction; or • Cause the Company, its Shareholders, the Management Company or the Investment Manager some legal, regulatory, taxation, pecuniary or material administrative disadvantage which the Company, its Shareholders, the Management Company or the Investment Manager might not otherwise have incurred or suffered.
Initial Offer Period	The period set by the Directors in relation to any Fund or Share Classes as the period during which Shares are initially on offer and as specified in the relevant Fund Supplement.
Institutional Investor	<p>Investor within the meaning of Article 174 of the UCI Law as this concept is interpreted by the CSSF from time to time, such as:</p> <ul style="list-style-type: none"> • banks and other professionals of the financial sector, insurance and reinsurance companies, social security institutions and pension funds, industrial, commercial and financial group companies, all subscribing on their own behalf, and the structures which such Institutional Investors put into place for the management of their own assets; • credit institutions and other professionals of the financial sector investing in their own name but on behalf of Institutional Investors as defined above; • credit institutions or other professionals of the financial sector which invest in their own name but on behalf of their clients on the basis of a discretionary management mandate; • collective investment schemes and their managers; • holding companies or similar entities, whose Unitholders are Institutional Investors as described in the foregoing paragraphs; • holding companies or similar entities, whether Luxembourg-based or not, whose Unitholder/beneficial owners are individual person(s) who are extremely wealthy and may reasonably be regarded as sophisticated investors and where the purpose of the holding company is to hold important financial interests/investments for an individual or a family; • a holding company or similar entity which as a result of its structure, activity and substance constitutes an Institutional Investor in its own right; and • governments, supranationals, local authorities, municipalities or their agencies
Intermediate Shareholder	A firm whose name is entered in the Company's register of shareholders, or which holds Shares indirectly through a third party acting as a nominee, and which: (a) is not the beneficial owner of the relevant Share; and (b) does not manage investments on behalf of the relevant beneficial owner of the Share; or (c) does not act as a depositary of a collective investment scheme or on behalf of such a depositary in connection with its role in holding property subject to the scheme.
Investment Adviser	responsAbility Investments AG. The entity that performs advisory functions for a Fund.
Investment Management Agreement	The investment management agreement pursuant to which the Investment Manager is appointed to provide discretionary investment management services to the Company and the Funds.
Investment Manager	M&G Investment Management Limited or, where applicable, a sub-investment manager

	appointed by the Investment Manager. The entity that performs the investment management and advisory functions for a Fund.
IRS	The US Internal Revenue Service.
JPY	Japanese Yen.
KID	Key Information Document, a legally required pre-contractual document describing in brief the objectives, policies, risks, costs, past performance and other relevant information for a given Share Class of a given Fund.
Luxembourg	The Grand-Duchy of Luxembourg.
Management Agreement	The management agreement dated 1 October 2018 pursuant to which the Management Company is appointed by the Company.
Management Company	M&G Luxembourg S.A.
Member State	A member state of the European Union. The states that are contracting parties to the agreement creating the European Economic Area other than the member states of the European Union, within the limits set forth by this agreement and related acts, are considered as equivalent to member states of the European Union.
MiFID	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
Minimum Subscription	The minimum initial investment for each class of Shares as specified in the section "Share Class Details".
Minimum Subsequent Subscription	The minimum additional investment for each class of Shares as specified in the section "Share Class Details".
Minimum Holding	Where applicable, the minimum holding for each class of Shares as specified in the section "Share Class Details".
Money Market Instruments	Instruments normally dealt on the money market which are liquid, and have a value which can be accurately determined at any time, and instruments eligible as money market instruments, as defined by guidelines issued by the CSSF from time to time.
Net Asset Value	The net asset value of the Company, a Fund or a Class (as the context may require) as calculated in accordance with the Articles and the Prospectus.
Net Asset Value per Share	The Net Asset Value in respect of any Fund or Class divided by the number of Shares of the relevant Fund or Class in issue at the relevant time.
NOK	Norwegian Krone.
Non-Member State	Any state which is not a Member State.
NZD	New Zealand Dollar.
OECD	The Organisation for Economic Co-operation and Development.
OECD CRS	OECD Common Reporting Standard.
Performance Fee	Where applicable, the performance fee which the Management Company may be entitled to receive from the Company in respect of a Fund, and which is payable to the Investment Manager as further described in Appendix 2 and the relevant Fund Supplement.

PRC or China	The People's Republic of China excluding, for the purpose herein, Hong Kong, Macau and Taiwan.
PRC Broker	Brokers in PRC appointed by a QFI.
PRC Custodian	Custodians in PRC appointed by a QFI.
PRC Stock Exchange	The Shanghai Stock Exchange, the Shenzhen Stock Exchange and any other stock exchange that may open in the PRC in the future.
Price per Share	Unless otherwise defined in a Fund Supplement, the Net Asset Value per Share attributable to the Shares issued in respect of a Fund or Class, plus or minus any attributable swing price adjustment, as described in the section "Swing Pricing and Dilution Levy".
Prospectus	This prospectus, as may be amended or supplemented from time to time.
QFI	A qualified foreign investor pursuant to the relevant PRC laws and regulations.
QFI Eligible Securities	Securities and investments permitted to be held or made by QFI Regulations.
QFI Regulations	The laws and regulations governing the establishment and the operation of the qualified foreign investors regime in the PRC, as may be promulgated and/or amended from time to time. Renminbi, the official currency of the People's Republic of China, is used to denote the Chinese currency traded in the onshore and the offshore markets (primarily in Hong Kong SAR) - to be read as a reference to onshore Renminbi (CNY) and/or offshore Renminbi (CNH) as the context requires. For clarification purposes, all references to RMB in the name of a Share Class or in the Reference Currency must be understood as a reference to offshore RMB (CNH).
Reference Currency	The currency in which the Net Asset Value of a Fund is expressed and calculated.
Registrar and Transfer Agent	CACEIS BANK, LUXEMBOURG BRANCH 5, Allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg
Registrar and Transfer Agency Agreement	The registrar and transfer agency agreement dated 6 December 2016 pursuant to which the Registrar and Transfer Agent is appointed to provide certain registration and transfer agency services in respect of the Funds.
Regulated Market	A regulated market according to MiFID. A list of EU regulated markets according to MiFID is regularly updated and published by ESMA.
RMB	Renminbi, the official currency of the PRC. Used as a reference to the Chinese currency traded in the onshore (CNY) Renminbi and the offshore (CNH) Renminbi markets (primarily in Hong Kong). All the references to RMB in the name of a Share Class should be understood to refer to offshore Renminbi (CNH).
SAFE	The PRC State Administration of Foreign Exchange.
SEK	Swedish Krona.
SGD	Singapore Dollar.
Share or Shares	Shares of any Class in the Company as the context requires.
Share Class Currency	The currency in which the Net Asset Value per Share is expressed and calculated. It can be different to the Reference Currency of the Fund.
Shareholder	A person registered as the holder of Shares on the Company's register of shareholders.

SFT Regulation or SFTR	EU Regulation 2015/2365 on transparency of securities financing transactions and of reuse.
Transferable Securities	<p>Shall mean:</p> <ul style="list-style-type: none"> • Shares and other securities equivalent to shares, • bonds and other debt instruments, • any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding techniques and instruments relating to transferable securities and money market instruments.
UCI(s)	Undertaking(s) for collective investment.
UCI Law or 2010 Law	The Luxembourg law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time.
UCITS	An undertaking for collective investment in transferable securities established pursuant to the UCITS Directive.
UCITS Directive	The Directive 2009/65/EC of the European Parliament and Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended by Directive 2014/91/EU as regards depositary functions, remuneration policies and sanctions.
United States, US or USA	Means the United States of America (including the States and District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction.
US Dollar or USD	United States Dollar.
US HIRE Act	The United States Hiring Incentives to Restore Employment Act.
US Person	Means any person, any individual or entity that would be a U.S. Person under Regulation S of the United States Securities Act of 1933, as amended; any resident or person with the nationality of the United States of America or one of their territories or possessions or regions under their jurisdiction, or any other company, association or entity incorporated under or governed by the laws of the United States of America or any person falling within the definition of "U.S Person" under such laws.
Valuation Day	Unless otherwise stated in a Fund Supplement, any Business Day.
Value at Risk (VaR)	A statistical estimate, made with a high degree of confidence, of the maximum potential loss that is likely to arise over a given time interval under normal market conditions.
ZAR	South African Rand.

Financial and investment terms

The following terms reflect the meanings intended in this Prospectus. These definitions are primarily informational (as opposed to legal) and are intended to provide investors with helpful general descriptions of some financial and investment terms used in this Prospectus.

asset-backed security or ABS	A debt security whose yield, credit quality and effective maturity derive from an interest in an underlying pool of debt assets, such as credit card debt, car loans, student loans, equipment lease, collateralised repo loans and EETCs (Enhanced Equipment Trust Certificates).
ancillary liquid assets	Means liquid assets such as cash deposits (at sight)
below investment grade	Below investment grade debt securities from less creditworthy issuers. These securities are rated Ba1/BB+ or lower using the highest rating available from one of the independent ratings agencies e.g. Standard & Poor's, Moody's or Fitch. Also known as "high yield" securities, because they typically offer higher income in exchange for their higher level of default risk compared to investment grade debt securities.
benchmark	<p>An index or rate, or a combination of indices or of rates, specified as being a target a comparator or a constraint for a Fund. The particular purposes for which a Fund uses its benchmark are stated in the section "Fund Supplements".</p> <p>Where a Fund's benchmark is part of the policy, this is stated in the investment objective in the section "Fund Supplements".</p>
China A Share	Renminbi denominated "A" share in Mainland China based companies that trade on Chinese stock exchanges such as the Shanghai and the Shenzhen stock exchanges.
circular economy	The circular economy is an alternative to the commonly practiced linear economy (take, make, use, dispose) model. The circular economy is regenerative and restorative by design ("reduce, reuse, recycle"). It aims to redefine products and services to design waste out, while minimising negative impacts. The circular economy encourages sustainability and competitiveness in the long term through a model combining environmental and social considerations, as well as economic benefits.
collateral	Assets provided by a borrower as security to the lender in case the borrower fails to meet its obligations.
contingent convertible debt security	A type of capital security that typically functions as a bond so long as certain pre-determined conditions are not triggered. They are designed to absorb losses when the pre-determined conditions are triggered. These triggers may include measures of the issuer's financial health remain above a certain level. Typically, this type of security is issued by financial institutions, such as banks.
contract for difference (CFD)	An arrangement made in a futures contract whereby differences in settlement are made through cash payments, rather than by the delivery of physical goods or securities. CFDs provide investors with the all the benefits and risks of owning a security without actually owning it.
convertible security	A type of security that generally has characteristics similar to both debt and equity securities. These securities can, or must be, exchanged for a set number of Units (usually of the issuing company) once a predetermined price or date is reached.
convertible bond	A bond issued by a company that give the bondholder the option to trade in the bond for shares in the company.
counterparty	Any financial institution providing services or acting as a party to derivatives or other instruments or transactions.

credit default swap or CDS	<p>A derivative that functions like default insurance, in that it transfers the default risk of a bond to a third party, in exchange for premium payments. If the bond does not default, the seller of the CDS profits from the premiums. If the bond defaults, the seller of the CDS is obliged to pay the buyer some or all of the defaulted amount, which would likely be more than the value of the premiums received.</p> <p>A CDS can be 'single name' where the credit risk relates to a bond of a particular issuer or 'index' where the underlying asset is an index of bonds from different issuers.</p>
credit linked note	A structured note that enables access to local or external assets which are otherwise inaccessible to a Fund. Credit linked notes are issued by highly rated financial institutions.
currency derivative	A derivative whose reference asset is a currency value or exchange rate.
currency swap	A bilateral financial contract to exchange the principal and interest in one currency for the same in another currency in order to hedge specific currency risk.
defaulted debt securities	<p>A debt security issued by a company or government entity that is in default with respect to the payment of interest or repayment of principal. These securities may be defaulted and undergoing restructuring, bankruptcy or other proceedings in an attempt to avoid insolvency. Investing in these securities involves special risks in addition to the risks associated with "high yield" debt securities as issuers of securities in default may fail to resume principal or interest payments, in which case the Fund may lose its entire investment.</p> <p>Such investments will only be made when the Investment Manager believes either that the security trades at a materially different level from the Investment Manager's perception of fair value or that it is reasonably likely that the issuer of the securities will make an exchange offer or will be the subject of a plan of reorganisation; however, there can be no assurance that such an exchange offer will be made or that such a plan of reorganisation will be adopted or that any securities or other assets received in connection with such an exchange offer or plan of reorganisation will not have a lower value or income potential than anticipated when the investment was made.</p> <p>A significant period of time may pass between the time at which the investment in defaulted securities is made and the time that any such exchange, offer or plan of reorganisation is completed. During this period, it is unlikely that any interest payments on the defaulted debt securities will be received, there will be significant uncertainty as to whether fair value will be achieved or not and the exchange offer or plan of reorganisation will be completed, and there may be a requirement to bear certain expenses to protect the investing Fund's interest in the course of negotiations surrounding any potential exchange or plan of reorganisation.</p>
derivative	An instrument or private contract whose value is based on the value and characteristics of one or more reference assets, such as a security, an index or an interest rate. A small movement in the value of the reference asset can cause a large movement in the value of the derivatives.
developed markets	<p>Countries with more established financial markets and investor protections. Typically, developed countries are those defined as high-income or advanced economies by the World Bank or the International Monetary Fund.</p> <p>The list of developed countries is subject to continuous change. Examples include most of Western Europe, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, and the United States.</p>
distressed debt security	A debt security issued by a company or government entity with a credit rating of CC or lower (as defined by Standard and Poor's or another recognised credit rating agency) or is considered by the Investment Manager to have a credit rating equivalent to that of CC or lower.
diversified	In connection with a Fund, investing in a wide variety of companies or securities.

duration	A measure of the sensitivity of a debt security or a portfolio to changes in interest rates. An investment with a duration of 1 year can be expected to decline 1% in value with every 1% rise in interest rates.
emerging markets	<p>Countries with less established financial markets and investor protections. Typically, emerging and developing countries are those defined as such by the International Monetary Fund, independent index providers such as MSCI, or the World Bank or those who have low or middle income economies according to the World Bank.</p> <p>The list of emerging and less developed markets is subject to continuous change. Examples include most countries in Asia, Latin America, Eastern Europe, the Middle East and Africa.</p>
Environmental, Social and Governance (ESG)	Environmental, social and corporate governance criteria, which refers to the three key factors when measuring the sustainability and ethical impact of an investment in a company.
Euro Short-term Rate (ESTR)	An interest rate index that reflects the unsecured overnight borrowing costs of banks within the eurozone for the euro currency. The rate is calculated and published by the European Central Bank.
Euribor	The Euro Interbank Offered Rate, which is based on the average interest rates at which a panel of European banks borrow money from one another.
exchange traded fund or ETF	An investment fund listed on a stock exchange that represents a pool of securities, commodities or currencies and which typically tracks the performance of an index. ETFs are traded like Units. Investment in open-ended or closed-ended ETFs will be allowed if they qualify as (i) UCITS or other UCIs, or (ii) transferable securities, respectively.
exchange traded future	An agreement relating to underlying instruments such as currencies, shares, bonds, interest rates and indices at a future date on a Regulated Market.
floating rate bond	A bond which pays a variable rate of income that is regularly reset in line with changes in market interest rates.
government bond	Bonds issued or guaranteed by governments or their agencies, quasi-government entities and state sponsored enterprises. This would include any bank, financial institution or corporate entity whose capital is guaranteed to maturity by a government, its agencies or government-sponsored enterprises.
interest rate swap	A forward contract which typically provides for an exchange between two parties of interest rate exposures from floating to fixed rate or vice versa. Each party thereby gains indirect access to the fixed or floating capital markets.
investment grade	Debt securities that are typically considered by a credit rating agency as being capable of meeting their payment obligations. Debt securities rated BBB-/Baa3 or higher using the highest rating available from one of the independent credit ratings agencies (Standard & Poor's, Moody's or Fitch or another recognised credit rating agency) are considered investment grade.
LIBOR	The London Interbank Offered Rate, which is based on the average interest rates at which international banks borrow money from one another.
liquidity	The extent to which an asset can be bought or sold in the market without significantly affecting the asset's price or the time required to find a buyer or a seller.
maturity	The amount of time remaining before a bond is due to be repaid.
money market instrument	A financial instrument that is liquid and has a value that can be accurately determined at any time, and that meets certain credit quality and maturity requirements.

Mortgage-backed securities or MBS	A debt security whose yield, credit quality and effective maturity derive from an interest in an underlying pool of mortgages. The underlying mortgages may include, but are not limited to, commercial and residential mortgages. Mortgage-backed securities may be issued by US government-sponsored agencies and private financial companies.
near cash	A security that can be readily converted into cash, such as a treasury bill or other short-term government bond, a bank certificate of deposit or a money market instrument or fund.
OTC derivative	Over-the-counter derivative which is a derivative instrument entered into with an approved counterparty outside of an exchange.
option	An agreement which offers the right to buy or sell an asset at an agreed price and time and can be on shares, bonds, bond futures, currencies, or indices.
public issuer	Governments or their regional and local authorities, government agencies, public authorities, supranational bodies, and state sponsored enterprises.
rating agency	An independent organisation that rates the creditworthiness of debt security issuers. Examples are Standard & Poor's, Moody's and Fitch.
repurchase transaction	A transaction governed by an agreement by which a counterparty sells securities to a Fund, and simultaneously agrees to repurchase them or substituted securities of the same description, at a specified price on a future date specified by the counterparty.
reverse repurchase transaction	<p>A transaction governed by an agreement by which a Fund sells securities to a counterparty, and simultaneously agrees to repurchase them or substituted securities of the same description, at a specified price on a future date specified by the Fund.</p> <p>The purchase of securities and the simultaneous commitment to sell the securities back at an agreed price on an agreed date.</p>
Secured Overnight Financing Rate (SOFR)	An adjusted risk-free rate for US dollar-denominated derivatives and loans, administered by the Federal Reserve Bank of New York. It is a rate which is based on actual transactions and reflects the average of the interest rates that banks pay to borrow US dollars cash overnight from other financial institutions and institutional investors while posting US Treasury bonds as collateral.
securities lending	A transaction by which a Fund transfers securities subject to a commitment that a borrower will return equivalent securities on a future date or when requested to do so by the Fund.
security	A negotiable instrument representing financial value. The category includes equities, bonds and money market instruments, as well as futures, options, warrants and other negotiable securities which carry the right to acquire other transferable securities by subscription or exchange.
Singapore Overnight Rate Average (SORA)	Singapore Overnight Rate Average benchmark.
special purpose acquisition company (SPAC)	A special purpose acquisition company, which is a stock exchange listed-company formed to raise money with the intention to acquire a privately held company. A SPAC is allowed a stated amount of time to find an acquisition or otherwise must return its funds to investors.
spot and forward contract	A bespoke agreement to buy or sell currencies, shares, bonds or interest rates at a specified price immediately or at a future date.
Sterling Overnight Index Average (SONIA)	A risk-free rate for sterling markets, administered by the Bank of England. It is a rate which is based on actual transactions and reflects the average of the interest rates that banks pay to borrow unsecured sterling overnight from other financial institutions and other institutional investors.

swap	An agreement which involves exchanging cash flows from investments with another party, including fixed or index-linked interest rate swaps, equity, bonds, currency, or other asset swaps.
Swiss Average Rate Overnight (SARON)	The overnight interest rate of the secured money market for the Swiss francs, administered by SIX. It is based on transactions and quotes posted in the repurchase agreement (repo) market.
Tokyo Overnight Average Rate (TONA)	A reference rate which measures the cost of borrowing in the Japanese Yen unsecured overnight money market. It is administered by the Bank of Japan and is sometimes referred to as "TONA".
United Nations Global Compact	<p>A United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.</p> <p>Further information can be obtained from the following website.</p>
United Nations Sustainable Development Goals	<p>A collection of 17 global goals set by the United Nations, covering a broad range of social and economic development issues. These include poverty, hunger, health, education, climate change, gender equality, water, sanitation, energy, urbanization, environment and social justice.</p> <p>Further information can be obtained from the following website.</p>
total return swap	An agreement in which one party (total return payer) transfers the total economic performance of a reference obligation, which may for example be a share, bond or index, to the other party (total return receiver). The total return receiver must in turn pay the total return payer any reduction in the value of the reference obligation and possibly certain other cash flows. Total economic performance includes income from interest and fees, gains or losses from market movement, and credit losses.
volatility	Statistical measure of the variation of price for a given security or sub-fund. Commonly, the higher the volatility, the riskier the security or Fund.
warrant	An investment that gives the owner the right, but not the obligation, to buy securities such as Units at an agreed price by a future date.

Responsible investment terms

Additional definitions aimed to provide investors with helpful information on terms related to ESG and responsible investment and their meanings intended in this Prospectus are disclosed in Appendix 1 "ESG integration and approaches to Responsible Investment".

The Company and the Funds

The Company is an open-ended investment company incorporated under the laws of Luxembourg as a *société d'investissement à capital variable* (the "SICAV") in accordance with the provisions of Part I of the UCI Law.

The Company was incorporated for an unlimited period on 29 November 2016 under the name of M&G (Lux) Investment Funds 1 and has its registered office in Luxembourg. Branches, subsidiaries or other offices may be established either in Luxembourg or abroad (but not, in any event, in the United States of America, its territories or possessions) by a decision of the Directors. Insofar as is legally possible, the Directors may also decide to transfer the Company's registered office to any other place in Luxembourg. The Articles were published in the *Recueil Electronique des Sociétés et Associations* (the "RESA") of the Grand-Duchy of Luxembourg on 30 November 2016 and the Company is registered with the Luxembourg Register of Commerce and Companies (R.C.S Luxembourg) under the number B210615.

The Company has appointed M&G Luxembourg S.A. as its Management Company and Domiciliary Agent.

The Company is an umbrella fund designed to offer investors access to a variety of investment strategies through a range of separate Funds. Each Fund represents a separate portfolio of assets. At all times the Company's share capital will be equal to the total Net Asset Value of the Funds and will not fall below the minimum capital required by Luxembourg law.

The Directors may establish additional Funds from time to time in respect of which Fund Supplements will be issued with the prior approval of the CSSF.

Under Luxembourg law, the Company is itself a legal entity. Each Fund, however, is not a distinct legal entity from the Company. Nevertheless, the assets of each Fund will be segregated from one another and will be invested in accordance with the investment objectives and investment policies applicable to each Fund and as set out in the relevant Fund Supplement. Pursuant to Article 181 of the UCI Law, each Fund corresponds to a distinct part of the assets and liabilities of the Company, i.e. the assets of a Fund are exclusively available to satisfy the rights of investors in relation to that Fund and the rights of creditors whose claims have arisen in connection with the creation and operation of that Fund.

The liabilities of a particular Fund (in the event of a winding up of the Company or a repurchase of the Shares in the Company or all the Shares of any Fund) shall be binding on the Company but only to the extent of the particular Fund's assets and in the event of a particular Fund's liabilities exceeding its assets, recourse shall not be made against the assets of another Fund to satisfy any such deficit.

The Base Currency of the Company is the Euro.

The Reference Currency of each Fund is set out in the relevant Fund Supplement.

The Funds and their investment objectives and policies

Details of the investment objectives, investment policies and certain terms relating to an investment in a particular Fund are set out in the relevant Fund Supplement.

Profile of a typical investor

The profile of a typical investor is set out in the relevant Fund Supplement. No investor may be an Ineligible Investor.

An investor's choice of Fund should be determined by the investor's attitude to risk, preference for income, growth or a combination of income and growth (i.e. total return), intended investment time horizon and in the context of the investor's overall portfolio. Investors should seek professional advice before making investment decisions.

Classes of Shares

Each Fund may offer more than one Class of Shares. Each Class of Shares may have different features with respect to its criteria for subscription (including eligibility requirements), redemption, minimum holding, fee structure, currency, currency hedging policy and distribution policy.

A separate Price per Share is calculated for each Class.

All Funds may offer the Share Classes described in the section "Share Class Details" and the relevant Fund Supplement. Further Classes may be created and an up-to-date list of Funds and currencies in which the launched Share Classes are available can be obtained from the following [website](#).

Shares have no par value, are transferable and, within each Class, are entitled to participate equally in the profits arising in respect of, and in the proceeds of a liquidation of, the Fund which they are attributable. All Shares are issued in registered form.

The limits for minimum initial and additional subscriptions for any Fund or Class of Shares may be waived or reduced at the discretion of the Directors, based on objective criteria.

Shares are issued in registered form only and can be held and traded in clearing systems. Unless otherwise stated in the relevant Fund Supplement:

- Title to registered shares is evidenced by entries in the Company's share register. Shareholders will receive confirmation notes of their shareholdings; and
- In principle, registered share certificates are not issued.

Shares of a Fund may be listed on the Luxembourg Stock Exchange or on another investment exchange. The Directors will decide whether Shares of a particular Fund are to be listed. The relevant Fund Supplement will specify if the Shares of a particular Fund are listed.

Investment restrictions

Investment of the assets of each Fund must comply with the UCI Law. The investment and borrowing restrictions applying to the Company and each Fund are as set out in the section "Investment Restrictions and Powers".

The Directors may impose further restrictions in respect of any Fund.

With the exception of permitted investments in unlisted securities or in units of open-ended collective investment schemes or in OTC Derivatives, investments will be made on Regulated Markets.

Each Fund may also hold up to 20% of its net assets in ancillary liquid assets. In exceptionally unfavourable market conditions, and if justified in the interest of the investors, a Fund may however invest up to 100% of its net assets in ancillary liquid assets for as long as the exceptionally unfavourable market condition persists.

Reports and financial statements

The Company's annual accounting period will end on 31 March in each year.

The Company will prepare:

- an annual report as of 31 March (the "Accounting Date") including the audited financial statements within four months of the financial period to which they relate i.e. by 31 July of each year.
- a half-yearly report as of 30 September of each year (the "Interim Accounting Date"), including the unaudited financial statements made up to 30 September will be prepared within two months of the end of the half year period to which they relate i.e. by 30 November of each year.
- Copies of the annual audited financial statements and half yearly reports are published on the [M&G website](#) and made available to Shareholders and prospective investors upon request.

Distribution policy

Distribution Shares and/or Accumulation Shares are issued in relation to a particular Fund.

The list of all available Share Classes is available on the [M&G website](#).

The Directors reserve the right to introduce a distribution policy that may vary between Funds and different Share Classes in issue.

The distribution frequency of the Fund is indicated in each Fund Supplement.

Where a Share Class is available with a different distribution frequency from that of the Fund, that Share Class will be identified by a suffix indicating a different distribution frequency to the Share Class name, as described in the section "Share Class Details".

Unless otherwise stated in the relevant Fund Supplement, Accumulation Shares accumulate all earnings pertaining to the relevant Class for the benefit of the Accumulation Shareholders, whereas Distribution Shares may pay dividends to Shareholders.

The Directors will exercise their discretion to determine whether or not to declare a dividend in respect of Distribution Shares.

Dividends may be paid out of investment income, capital gains and/or capital at the discretion of the Directors. As dividends may be paid out of the capital of a Fund, there is a greater risk that capital will be eroded and "income" will be achieved by forgoing the potential for future capital growth of Shareholders' investments and the value of future returns may also be diminished. This cycle may continue until all capital is depleted (subject to the minimum Net Asset Value requirement detailed below). Dependent on investor jurisdiction, dividends paid out of capital may have different tax implications to dividends paid out of income and investors are recommended to seek their own advice in this regard.

Dividends will normally be declared and paid within 2 months of the end of the relevant distribution period. If the dividend declared is less than 50 Euros (or its equivalent in any other currency), the Directors reserve the right to reinvest the dividend into the same Class of Shares in the relevant Fund (free of any initial charges).

Dividends will be paid by electronic transfer to the Shareholder, or, in the case of joint holders, to the name of the first Shareholder appearing on the register.

Payments will be made in the relevant Share Class Currency.

Distributions remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Fund. In any event, no distribution may be made if, as a result thereof, the Net Asset Value of the Company would fall below the equivalent of EUR 1,250,000.

Dividends may be treated as taxable income in certain jurisdictions. Shareholders should seek their own professional tax advice.

If the Fund issues Distribution Shares, a reinvestment facility may be available.

Should the Shareholders decide to reinvest the amount to be distributed to them where such facilities exist, these distributions will be reinvested in further Shares within the same Class of the same Fund and investors will be advised of the details by distribution statements. No subscription fees, as defined below, will be imposed on reinvestments of distributions.

In the event of a liquidation of a Fund, any uncollected dividends will be deposited with the *Luxembourg Caisse de Consignation*, once the liquidation has been effected.

The Company, at its absolute discretion, may also offer certain classes of Distribution Shares where the dividend is based on a fixed amount or fixed percentage of the Net Asset Value per Share. Where the amount of investment income earned is not sufficient to meet this fixed amount or fixed percentage, a fixed Distribution Share Class may be required to make a payment out of capital. Investors should read the risks associated with certain Distribution Share Classes and the impact of dividends paid out of capital in the section "Risk Factors".

The Directors will periodically review fixed Distribution Share Classes and reserve the right to make changes to the distribution rate in cases where maintaining it may adversely impact the Fund or the Shareholders. For example if, over time, the investment income is higher than the target fixed distribution the Directors may declare the higher amount to be distributed. Equally the Directors may deem it is appropriate to declare a dividend lower than the target fixed distribution. The details of such fixed Distribution Shares will be available on the [M&G website](#).

Income equalisation arrangements will be applied to the Funds unless otherwise specified in the relevant Fund Supplement. This is a mechanism which aims to minimise the dilutive effect of subscriptions, redemptions and conversion of Shares on the level of income accrued and attributable to each Share in a Share Class during a distribution period (a distribution period is the period from one dividend record date to the next and the distribution frequency of each Fund is indicated in each Fund Supplement). Income equalisation ensures that income distributions from a Fund can be the same for all Shareholders, regardless of when the Shares were dealt.

A Shareholder who has purchased Shares during a distribution period will therefore receive a distribution made up of two amounts:

- income which has accrued from the date of purchase, and
- capital which represents the return of the equalisation element.

The effect is that income is distributed to Shareholders in proportion of ownership of the Shares in the distribution period.

Publication of Price of Share

The Price per Share may be obtained free of charge from, and will be available at the offices of, the Registrar and Transfer Agent during business hours on each Business Day.

In addition, the Price per Share is published on the [M&G website](#).

Prevention of late trading and market timing

Late trading is to be understood as the acceptance of a subscription, switch or redemption order for shares in a Fund after the time limit fixed for accepting orders on the relevant day and the execution of such order at the price based on the net asset value applicable to such same day. However, the acceptance of an order will not be considered as a late trade where the Global Distributor, or any sales agent to which it may delegate, submits the relevant subscription, switch or redemption request to the Administrator after the Dealing Request Deadline provided that such subscription, switch or redemption request has been received by the Global Distributor from the relevant investor in advance of the relevant Dealing Request Deadline.

The Company considers that the practice of late trading is not acceptable as it violates the provisions of this Prospectus which provide that an order received after the Dealing Request Deadline is dealt with at the Price per Share based on the Net Asset Value calculated on the next applicable Dealing Day. As a result, subscriptions, switches and redemptions of Shares shall be dealt with at the next Net Asset Value determined following the Dealing Request Deadline. The Dealing Request Deadline is set out in the Fund Supplement for each Fund.

As per CSSF Circular 04/146, market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or switches shares of the same UCI within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the UCI.

The Company considers that the practice of market timing is not acceptable as it may affect the Company's performance through an increase of the costs and/or entail a dilution of the profit. As a result, the Company reserves the right to refuse any application for subscription or switch of Shares which might or appears to be related to market timing practices and to take any appropriate measures in order to protect investors against such practice. Without limitation to the general power to make a redemption charge, the Company will consider making a redemption charge on the redemption of Shares by an investor in the event that the Company considers that such investor is systematically redeeming or switching shares within a short time period.

Company legal and operational structure

Directors

The Directors are responsible for the overall management and control of the Company in accordance with the Articles. The Directors are further responsible for the implementation of each Fund's investment objective and policies as well as for oversight of the administration and operations of each Fund.

The Directors shall have the broadest powers to act in any circumstances on behalf of the Company, subject to the powers reserved by law to the Shareholders.

The following persons have been appointed as Directors of the Company:

- Laurence Mumford, chair
- Philip Jelfs
- Susanne Van Dootinh, independent Director
- Yves Wagner, independent Director
- Nadya Wells, independent Director

The Directors may appoint one or more committees, authorised delegates or agents to act on their behalf. For the avoidance of doubt, references to "Directors" may therefore include such committees, authorised delegates or agents, as applicable.

Management Company

The Company has appointed M&G Luxembourg S.A. pursuant to the Management Agreement to serve as its management company within the meaning of the UCI Law. The Management Company is responsible, subject to the overall supervision of the Directors, for the provision of investment management services, administrative services and marketing/distribution services to the Company.

The Management Company is a public limited company limited by shares incorporated in Luxembourg on 1 August 2012 under number B.170.483. The ultimate holding company of the Management Company is M&G plc. The Management Company is authorised and regulated by the CSSF. The Management Company's registered office is at 16, boulevard Royal, L-2449 Luxembourg, Luxembourg. The subscribed capital is set at two hundred and fifty thousand Euro (EUR 250,000.).

The Management Company acts as the management company of the Company in accordance with the relevant provisions of the UCI Law and subject to Chapter 15 of the UCI Law. The Management Company also acts as the Company's Domiciliary Agent and as the Global Distributor.

In addition to the Company, the Management Company also acts as management company for other funds, and can be appointed in the future to act as the management company for other funds. The list of funds managed by the Management Company will be set out in the Company's annual reports and may be obtained upon request from the Management Company.

The Management Agreement has been entered into by the Company and the Management Company for an unlimited period of time. The Company and the Management Company may terminate at any time the Management Agreement upon 90 days' prior written notice addressed by one party to the other or under other circumstances set out in this agreement.

The Management Company has appointed M&G Investment Management Limited to carry out investment management functions, and State Street Bank International GmbH, Luxembourg Branch and CACEIS BANK, LUXEMBOURG BRANCH, to carry out certain administrative functions in respect of the Company.

Remuneration policy

The Management Company has a remuneration policy in place which seeks to comply with Article 111 *ter* of the UCI Law.

The Management Company applies a staff remuneration policy consistent with the principles outlined in the UCI Law.

The remuneration policy is overseen by a remuneration committee and is designed to promote sound and effective risk management by, amongst other things:

- identifying staff with the ability to have a material impact on the risk profile of either the Management Company or the Funds;
- ensuring that the remuneration of those staff is in line with the risk profiles of the Management Company and of the Funds, and that any relevant conflicts of interest are appropriately managed at all times; and
- setting out the link between pay and performance for all of Management Company employees, including the terms of annual bonus and long-term incentive plans and individual remuneration packages for Directors and other senior employees.

Please visit the [M&G website](#) for details of the remuneration policy, including, but not limited to:

- a description of how remuneration and benefits are calculated;
- the identities of persons responsible for awarding the remuneration; and
- the composition of the remuneration committee.

Alternatively, a paper copy can be obtained from our customer relations department free of charge on +352 2605 9944.

Investment Manager

The Management Company has appointed M&G Investment Management Limited as investment manager to manage and invest the assets of the Funds pursuant to their respective investment objectives and policies.

The Investment Manager is a private company limited by shares incorporated in England and Wales on 5 August 1968. The Investment Manager is authorised and regulated by the Financial Conduct Authority of the United Kingdom. The Investment Manager is a wholly-owned subsidiary of M&G plc.

The Investment Manager was appointed pursuant to the Investment Management Agreement. Under the Investment Management Agreement, the Investment Manager has full discretion, subject to the overall review and control of the Management Company and the Directors, to purchase and sell securities and otherwise to manage the assets of the Company on a discretionary basis.

The Investment Manager will not be responsible for any loss to the assets and investments of the Company as are at any time allocated by the Management Company to the Investment Manager for discretionary investment management howsoever arising, except to the extent that such loss is due to the Investment Manager's negligence, wilful default or fraud or that of any of its directors or employees.

Under the Investment Management Agreement the Management Company agrees to indemnify the Investment Manager and the directors, officers and employees of the Investment Manager from and against any and all liabilities, obligations, losses, damages, suits and expenses which may be incurred by or asserted against the Investment Manager in its capacity as investment manager of the assets and investments of the Company as are at any time allocated by the Management Company to the Investment Manager for discretionary investment management other than those resulting from the negligence, wilful default or fraud on its or their part.

The Investment Management Agreement may be terminated by one party giving to the other party not less than three months' written notice. The Investment Management Agreement may also be terminated forthwith by notice in writing

by either party (the "notifying party"), if the other party shall commit any material breach of its obligations under the Investment Management Agreement and, if such breach is capable of being made good, shall fail to make good such breach within 14 days of receipt of written notice from the notifying party requiring it so to do. Subject to the prior written approval of the Directors, the Investment Management Agreement may also be terminated by the Management Company without notice when this is deemed by the Management Company to be in the interests of the Company's Shareholders.

The Investment Manager (and/or its directors, employees, related entities and connected persons) may subscribe, directly or indirectly for Shares during and after the relevant Initial Offer Period.

Sub-Investment Managers

With the prior consent of the Management Company, the Investment Manager may delegate its investment management functions to one or more sub-investment managers to provide discretionary investment management services in respect of a Fund or part of a Fund's portfolio. The Investment Manager or sub-investment manager of a Fund may also appoint an investment adviser to provide investment advice in respect of a Fund or part of a Fund's portfolio (see below). The list of appointed sub-investment managers and investment advisers is available on the [M&G website](#).

M&G Investments (Singapore) Pte. Ltd. and M&G Investment (USA) Inc. have been appointed and act as sub-investment managers for the Funds mentioned on the abovementioned website.

In addition to the above, M&G Investments (Singapore) Pte. Ltd. has been appointed and acts as sub-investment manager for the Funds mentioned on the abovementioned website where:

- a Material Event (as defined in the paragraph below) has occurred and M&G Investments (Singapore) Pte. Ltd. has contacted the Investment Manager but the Investment Manager is unable (for whatever reason such as a Material event occurring outside of London working hours) to act;
- a Material Event has occurred and M&G Investments (Singapore) Pte. Ltd. is unable to contact the Investment Manager; or
- M&G Investments (Singapore) Pte. Ltd. is instructed to do so by the Investment Manager (to ensure continuity of service, expediency and where it is in the best interests of the Shareholders) for a specified period or for an unspecified period, in which case M&G Investments (Singapore) Pte. Ltd. shall act as sub-investment manager until instructed otherwise by the Investment Manager.

For the purpose of the delegation of investment management functions to M&G Investments (Singapore) Pte. Ltd, a Material Event is an event which has or has the potential to have a material impact upon one or more assets in a Fund's portfolio such that it would give rise to a reassessment of the attractiveness of said asset (including, but not limited to: (i) company-specific events such as material non-conforming data points, earnings/corporate actions or unexpected news; (ii) macro shocks such as a political event or news impacting a sector or single stock; or (iii) material adverse events such as earthquakes/natural disasters, material military action, company specific material adverse events or intra-day multiple standard deviation % moves in stocks and/or indices).

The Investment Manager may also appoint one or more affiliates of the M&G Group to provide dealing services in respect of a Fund or part of a Fund's portfolio.

Where the Investment Manager enters into OTC Derivative transactions, JPMorgan Chase Bank, N.A. will provide administrative services in connection with the collateral management functions.

Investment Adviser

The Investment Manager has appointed responsAbility Investments AG as investment adviser to provide investment advice pertaining to sustainability-related considerations (including notably the provision of analysis on the universe of investments of the Fund listed below).

The Investment Adviser is a private company limited by shares incorporated in Switzerland. The Investment Adviser is authorised and regulated by the Swiss Financial Market Supervisory Authority.

In consideration of the services to be provided and duties to be performed by the Investment Adviser under the terms of the investment advisory agreement, the Investment Manager pays the Investment Adviser out of its investment management fees.

The Investment Adviser provides investment advice with respect to the M&G (Lux) responsAbility Sustainable Solutions Bond Fund.

Registrar and Transfer Agent

The Management Company has appointed CACEIS BANK, LUXEMBOURG BRANCH as Registrar and Transfer Agent of the Company. CACEIS Bank, Luxembourg branch is registered in the Luxembourg Commercial and Companies register under number B 209310. CACEIS BANK, Luxembourg branch is acting as a branch of CACEIS Bank which is a public limited liability company (*société anonyme*) incorporated under the laws of France with a share capital of 1 280 677 691,03 Euros having its registered office located at 89-91, rue Gabriel Peri, 92120 Montrouge, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Nanterre. CACEIS Bank is an authorised credit institution supervised by the European Central Bank ("ECB") and the *Autorité de contrôle prudentiel et de résolution* ("ACPR"). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

Under the Registrar and Transfer Agency Agreement, the Registrar and Transfer Agent is responsible for processing the issue, redemption and transfer of Shares as well as for the keeping of the register of Shareholders.

The Registrar and Transfer Agent will at all times comply with any obligations imposed by the applicable laws and regulations with respect to money laundering prevention and, in particular, with CSSF Regulation 12/02.

Depository

The Company has appointed State Street Bank International GmbH, Luxembourg Branch as Depository of the Company.

State Street Bank International GmbH is a limited liability company organised under the laws of Germany, having its registered office at Brienner Str. 59, 80333 München, Germany and registered with the commercial register court, Munich under number HRB 42872. It is a credit institution supervised by the European Central Bank (ECB), the German Federal Financial Services Supervisory Authority (BaFin) and the German Central Bank.

State Street Bank International GmbH, Luxembourg Branch is authorised by the CSSF in Luxembourg to act as a depository. State Street Bank International GmbH, Luxembourg Branch is registered in the Luxembourg Commercial and Companies' Register (RCS) under number B 148 186.

State Street Bank International GmbH is a member of the State Street group of companies having as their ultimate parent State Street Corporation, a US publicly listed company.

Depository's functions

The Depository shall perform all of the duties and obligations of a depository under the UCITS Directive and the Luxembourg implementing laws and regulations with respect to each Fund.

The Depository has been entrusted with following main functions:

- Ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the Articles;
- Ensuring that the value of the Shares is calculated in accordance with applicable law and the Articles;
- Carrying out the instructions of the Management Company or the Company (as the case may be), unless such instructions conflict with applicable law or the Articles;

- Ensuring that in transactions involving the assets of the Company any consideration is remitted to the Company within the usual time limits;
- Ensuring that the income of the Company is applied in accordance with applicable law and the Articles;
- Monitoring and oversight of the Company's cash and cash flows in accordance with the UCITS Directive and the Luxembourg implementing laws and regulations; and
- Safe-keeping of the Company's assets, including the safekeeping of financial instruments that can be held in custody and ownership verification and record keeping in relation to other assets.

Depositary's liability

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the Commission Delegated Regulation n°2016/438 of 17 December 2015 supplementing the UCITS Directive, the Depositary shall return financial instruments of identical type or the corresponding amount to the Company without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depositary directly or indirectly through the Company provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depositary will be liable to the Company for all other losses suffered by the Company as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

Without limitation to the Depositary's obligations pursuant to the UCITS Directive, the Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

Delegation

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at One Congress Street, Suite 1, Boston, MA 02114-2016, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Company or at the following [website](#).

Conflicts of interest

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts.

Conflicts of interest arise where the Depositary or its affiliates engage in activities under the Depositary Agreement or under separate contractual or other arrangements.

Such activities may include:

- providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company; and

- engaging in banking, sales and trading transactions including foreign exchange, derivative instrument, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

In connection with the above activities, the Depositary or its affiliates:

- will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to the Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;
- may provide the same or similar services to other clients including competitors of the Company; and
- may be granted creditors' rights by the Company which it may exercise.

The Company may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company.

Where cash belonging to the Company is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Investment Manager and the Management Company may also be a client or counterparty of the Depositary or its affiliates.

Potential conflicts that may arise in the Depositary's use of sub-custodians include four broad categories:

- Conflicts from sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;
- Sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;
- Sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and
- Sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholder.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the depositary issues to be properly identified, managed and monitored.

Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits.

Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

The Depositary shall not be liable for the contents of this Prospectus (other than this section), and will not be liable for any insufficient, misleading or unfair information contained herein.

The Depositary Agreement may be terminated by either the Company or the Depositary upon 6 months prior written notice. In that case, a new depositary must be appointed within two months of the termination of the Depositary Agreement, to carry out the duties and assume the responsibilities of the Depositary, as outlined above.

Administrator

The Management Company has appointed State Street Bank International GmbH, Luxembourg Branch as the Administrator of the Company.

The relationship between the Management Company and the Administrator is subject to the terms of the Administration Agreement.

The Administrator carries out all general administrative duties related to the administration of the Company required by the Luxembourg law, including the calculation of the Net Asset Value of the Shares and the provision of accounting services to the Company.

The Administrator is not responsible for the contents of this Prospectus (other than this section), for any investment decisions of the Company or the effect of such investment decisions on the performance of the Company.

The Administration Agreement contains provisions indemnifying the Administrator, and exempting the Administrator from liability, in certain circumstances.

Subject to the prior written consent of the Directors, the Management Company reserves the right to change the administration arrangements described above by agreement with the Administrator and/or in its discretion to appoint an alternative administrator without prior notice to Shareholders. Shareholders will be notified in due course of any appointment of an alternative administrator.

Domiciliary Agent

The Company has appointed the Management Company as its Domiciliary Agent. The Domiciliary Agent provides facilities necessary for the meetings of the Company's officers, Directors and/or of the Shareholders.

Global Distributor

M&G Luxembourg S.A. acts as the global distributor of Shares.

The Global Distributor has the power to appoint distributors.

The Global Distributor will at all times comply with any obligations imposed by the applicable laws and regulations with respect to money laundering prevention and, in particular, with CSSF Regulation 12/02.

Auditor

The Company has appointed Ernst & Young S.A as auditor of the Company. The Auditor's responsibility is to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards.

Hedging services

The Management Company has appointed State Street Europe Limited to undertake certain currency hedging functions in respect of Currency Hedged Share Classes.

Subscriptions

Initial Offer

Shares in the Company may be subscribed for during the relevant Initial Offer Period preceding the launch of a Fund or from the launch date of a Fund. The Directors may extend or shorten an Initial Offer Period at their discretion.

The Directors may determine, in their sole and absolute discretion, taking into account the best interests of investors, that subscriptions (whether in respect of a Fund or a particular Class) received during any relevant Initial Offer Period are insufficient and, in such event, the amount paid on application will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of the applicant.

Subscriptions will be accepted upon verification by the Registrar and Transfer Agent or the Management Company as the case may be, that the relevant investors have satisfied any information request and have confirmed receipt of a KID of the Class of Shares into which they intend to subscribe.

The Management Company may, in its absolute discretion, delay the acceptance of any subscription for Shares of a Share Class restricted to Institutional Investors until such date as it has received sufficient evidence of the qualification of the investor as an Institutional Investor. If it appears at any time that a holder of a Share Class restricted to Institutional Investors is not an Institutional Investor, the Management Company will either redeem the relevant Shares in accordance with the provisions under "Redemptions" below, or switch such Shares into a Share Class that is not restricted to Institutional Investors (provided there exists such a Share Class with similar characteristics) and notify the relevant Shareholder of such switch.

Subsequent subscriptions

Following the close of the relevant Initial Offer Period and unless otherwise specified in the relevant Fund Supplement, Shares will be available for subscription at the Price per Share as of the relevant Valuation Day.

Distributors may charge an initial charge on such a subscription for Shares as set out in "Fees and Expenses", and, if applicable, the Company may charge a dilution levy as set out in "Swing Pricing and Dilution Levy", as the case may be, and as specified in the relevant Fund Supplement. However, where the relevant Fund is a master fund of another UCITS, the relevant feeder fund will not pay any initial charge in relation to its subscription in the Fund.

The Directors are authorised from time to time to resolve to close or suspend any Class of Shares to new subscriptions on such basis and on such terms as the Directors may in their absolute discretion determine.

Procedure

On placing their initial subscription, Applicants for Shares should complete and sign an application form and send it to the Registrar and Transfer Agent by mail at the following address: : CACEIS BANK, LUXEMBOURG BRANCH, 5 allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg.

Initial applications may be made by facsimile on +352 2460 9901 subject to the prompt receipt by the Registrar and Transfer Agent of the original signed application form and such other supporting documents (such as documentation in relation to money laundering prevention checks) as may be required.

Thereafter, Shareholders wishing to apply for additional Shares may apply for Shares by facsimile and these applications may be processed without a requirement to submit original documentation, although these applications may be subject to the relevant Shareholder providing such other supporting documents (such as documentation in relation to money laundering prevention checks) as may be required.

Amendments to a Shareholder's registration details and payment instructions will (subject to the Company's discretion) only be effected on receipt of original documentation with authorised signatures.

Applications for Shares during the Initial Offer Period should be completed and submitted so as to be received by the Registrar and Transfer Agent no later than the end of the Initial Offer Period. If the original application form is not received by these times, the application will be held over until the first Dealing Day after the close of the Initial Offer Period and Shares will then be issued at the relevant Price per Share on that Dealing Day.

Thereafter, applicants for Shares, and Shareholders wishing to apply for additional Shares, must send their completed and signed application form by facsimile to the Registrar and Transfer Agent by the Dealing Request Deadline. Applications received after this deadline for any given Dealing Day shall be treated as received prior to the next Dealing Request Deadline. Cleared funds in the relevant currency of the relevant Class and for the full amount of the subscription monies (including any initial charge, if applicable) must be received by the Registrar and Transfer Agent within three Business Days ("T+3") following the relevant Dealing Day, unless otherwise specified in the relevant Fund Supplement.

If subscribed Shares are not paid for, the Company may redeem the Shares issued, whilst retaining the right to claim the subscription fees, commission and any other costs that may have occurred and to be confirmed by the Directors. In this case the applicant may be required to reimburse the Company for any losses, costs or expenses incurred directly or indirectly as a result of the applicant's failure to make timely settlement, as conclusively determined by the Directors in its discretion. In computing such losses, costs or expenses account shall be taken, where appropriate, of any movement in the price of the Shares between allotment and cancellation or redemption and the costs incurred by the Company in taking proceedings against the applicant.

The Company reserves the right to reject any application in whole or part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of the applicant.

Shares may not be issued by the Company during any period in which the calculation of the Net Asset Value of the relevant Fund is suspended in accordance with the section "Suspension of the Determination of the Net Asset Value".

Fractions of Shares of up to three decimal places will be issued if necessary. Interest on subscription monies will accrue to the Company.

Any applications submitted electronically must be in a form and method agreed by the Directors and the Registrar and Transfer Agent.

Unless otherwise agreed by the Directors, applications will be irrevocable.

Where specified in the relevant Fund Supplement, applicants for certain Classes of Shares will be required to enter into a remuneration agreement with the Management Company or an affiliate of the Management Company.

At the discretion of the Management Company, the Company may accept subscriptions via electronic trading accounts. Please contact the Management Company or the Registrar and Transfer Agent for further details.

Temporary closure of a Fund or Class

A Fund or Class may be closed totally or partially to new subscriptions or switches in (but not to redemptions or switches out of it) if, in the opinion of the Directors, this is necessary to protect the interests of existing Shareholders.

One such circumstance would be where the Fund or Class has reached a size such that the capacity of the market and/or the capacity of the Investment Manager has been reached, and where to permit further inflows would be detrimental to the performance of the Fund. Where any Fund or Class is materially capacity constrained in the opinion of the Directors, the Fund or Class may be closed to new subscriptions or switches into without notice to Shareholders.

Details of Funds and Classes which are closed to new subscriptions and switches will be provided in the annual report including the audited financial statements and in the half-yearly report including the unaudited financial statements.

Where any type of closure to new subscriptions or switches in occurs, the website of the Management Company will be amended to indicate the change in status of the applicable Fund or Class. Shareholders and potential investors should confirm with the Management Company or the Registrar and Transfer Agent or check the website for the current status of the relevant Fund or Class.

Once closed, a Fund or Class will not be re-opened until, in the opinion of the Directors, the circumstances which required closure no longer prevail.

Subscriptions in kind

The Company may agree to the issue of Shares in exchange for assets other than cash but will only do so where, in the absolute discretion of the Directors or any duly appointed committee of the Board of Directors, it is determined that the Company's acquisition of such assets in exchange for Shares complies with the investment policies and restrictions laid down in the relevant Fund Supplement to this Prospectus for each Fund, has a value equal to the relevant Price per Share of the Shares (together with any initial charge, if applicable) and is not likely to result in any material prejudice to the interests of Shareholders.

Such contribution in kind to any Fund will be valued independently in a special report from the Company's auditor, upon the request of the Directors or a duly appointed committee of the Board of Directors, established at the expense of the investor.

All supplemental costs will be borne by the investor making the contribution in kind or by such other third party as agreed by the Directors in their sole and absolute determination.

Minimum investment

The Minimum Holding, the Minimum Subscription and the Minimum Subsequent Subscription (if any) for each Class are set out in the section "Share Class Details" and may, in each case, be waived at the discretion of the Directors.

Ineligible investors

The application form requires each prospective applicant for Shares to represent and warrant to the Company that, among other things, it is not an Ineligible Investor.

In particular, the Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise incur or suffer, or would result in the Company being required to register under any applicable US securities laws.

Shares may generally not be issued or transferred to or for the account of a US Person.

If the transferee is not already a Shareholder, it will be required to complete the appropriate application form and provide any other documentation that may be specified from time to time.

Form of Shares

All the Shares will be registered Shares and will only be issued in book stock form, meaning that a Shareholder's entitlement will be evidenced by an entry in the Company's register of Shareholders, as maintained by the Registrar and Transfer Agent, and not by a share certificate.

Suspension

The Directors may declare a suspension of the issue of Shares in certain circumstances as described in the section "Suspension of the Determination of the Net Asset Value". No Shares will be issued during any such period of suspension.

Anti-money laundering

The Company is subject to international and Luxembourg laws and regulations which impose duties, obligations and sanctions with the main objective of preventing the financial sector from being used for money laundering and financing of terrorism purposes. These international and Luxembourg laws and regulations are hereinafter collectively referred to as the "AML/CFT laws and regulations", and all the duties and obligations imposed by such AML/CFT laws and regulations are hereinafter collectively referred to as the "AML/CFT obligations". The AML/CFT laws and regulations include the Luxembourg Laws of 12 November 2004 on the fight against money laundering and financing of terrorism (the "2004 AML Law") and of 13 January 2019 creating a register of beneficial owners (the "2019 RBO Law"), as well as the Grand-ducal regulation of 1 February 2010 providing details on certain provisions of the 2004 AML Law, the CSSF Regulation N°12-02 of 14 December 2012 on the fight against money laundering and terrorist financing, ("CSSF Regulation 12-02") and any further implementing regulations and CSSF circulars in the field of AML/CFT.

As part of its AML/CFT obligations, the Management Company, on behalf of the Company, maintains appropriate AML/CFT policies to detect, prevent and deter money laundering, tax crimes and terrorism financing.

The Management Company (on behalf of the Company) must comply with "know your customer" obligations which require the Management Company (on behalf of the Company) to know and ascertain the identity of each investor, as well as that of other persons related to this investor (such as, but not limited to, any of this investor's beneficial owners or proxyholders), the source of the funds being invested in a Fund, and, as the case may be, the source of wealth of the investor. The Management Company, on behalf of the Company, must also take reasonable measures to verify each of these persons' identity so that it is satisfied that it knows who its investors' beneficial owners are, and take reasonable measures to understand the ownership and control structure of its investors, and, as the case may be, the purpose and nature of the business relationship.

AML/CFT laws and regulations also contain provisions which impose upon certain beneficially owned persons (such as the Company and possibly certain investors) specific obligations in relation to their beneficial ownership. In this context, the Management Company, on behalf of the Company, must, amongst other things, identify each of its beneficial owners, obtain and hold adequate, accurate and up-to-date information about all its beneficial owners, including the details of the beneficial interests they hold, as well as certain supporting documentation.

Beneficial ownership broadly refers to the natural persons (each a "beneficial owner") who ultimately, hence directly or indirectly, own or control a legal person (the "beneficially owned person") or on whose behalf a transaction or activity is being conducted. According to the 2004 AML Law which the 2019 RBO Law refers to, beneficially owned persons include corporate and other legal entities, as well as trusts and similar structures. Different criteria (such as ownership thresholds and control features) set forth in AML/CFT laws and regulations determine if a natural person is or is not a beneficial owner of a beneficially owned person. Internal policies and procedures may possibly provide for additional criteria. This means that a direct or an indirect holding in the Company does not automatically render an investor a beneficial owner of the Company or an investor's beneficial owner.

Either prior to subscription or at any time thereafter, initially and on an ongoing basis, upon the Management Company's request or at the relevant investor's own initiative (e.g. without delay in case of a change of beneficial ownership), each investor and any other related person thereto (A) shall use its best endeavours to proactively assist the Management Company, on behalf of the Company, in fulfilling its AML/CFT obligations, and (B) in particular shall provide all information and documents which are required by AML/CFT laws and regulations and/or which the Management Company considers necessary for performing its AML/CFT obligations, including ongoing monitoring of all information and documents, the name screening and transaction monitoring as defined by the AML/CFT laws and regulations, whilst ensuring at all times that each piece of information and each document provided to the Management Company is and remains adequate, accurate and up-to-date as per a risk-based approach. All information and documents are hereinafter collectively referred to as the "AML/CFT Information and Documentation".

The Management Company, on behalf of the Company, may delegate or outsource its AML/CFT obligations to eligible service providers such as the Company's Registrar and Transfer Agent, and may amend, at any time and with immediate effect, the list of required AML/CFT Information and Documentation and the form in which the required AML/CFT Information and Documentation is to be provided. The Management Company may retain AML/CFT Information and Documentation pertaining to an investor for a period of at least five years after the business relationship has ended or longer if warranted by the AML/CFT laws and regulations.

The Management Company may be required to transmit (possibly without prior notice to the investor and/or other related person concerned) all or part of the AML/CFT Information and Documentation to certain third parties, including other potentially beneficially owned persons, competent authorities and the Luxembourg register of beneficial owners as required by the 2019 RBO Law.

Under the AML/CFT laws and regulations, criminal sanctions may be imposed on the Management Company and/or the Company in case of its failure to comply with the obligations to collect and make available the required information. Any investor that fails to comply with the Management Company's information or documentation requests may be held liable for penalties imposed on Management Company and/or the Company.

In addition to criminal and non-criminal sanctions provided by AML/CFT laws and regulations, any delay or failure to provide any required piece of AML/CFT Information and Documentation may result in, amongst other consequences and where applicable, in a subscription request being declined, Shares in the Company being compulsorily redeemed in accordance with the Articles, a payment of distribution or liquidation or redemption proceeds being delayed, and/or in this delay or failure to be reported or subject to declaration by the Management Company, on behalf of the Company, to the competent authorities, possibly without prior notice to the investor and/or other related person concerned.

Furthermore, in such case, The Management Company may take the measures that it considers to be appropriate, including but not limited to, the blocking of such investor's account until the receipt of the information and documents required. Any costs (including account maintenance costs) which are related to non-cooperation of such investor will be borne by the respective investor. No liability for any interest, costs or compensation will be accepted.

Agreements are entered into with intermediaries pursuant to which these intermediaries market shares of the Company to underlying clients. A risk-based customer due diligence is performed on any intermediary in order for the Company and Management Company to be satisfied as to the identity of the intermediary.

In addition to the due diligence measures on investors, pursuant to articles 3 (7) and 4 (1) of the 2004 AML Law, the Management Company is also required to apply precautionary measures regarding the assets of the Company. The Management Company should assess, using its risk-based approach, the extent to which the offering of its products and services presents potential vulnerabilities to placement, layering or integration of criminal proceeds into the financial system. Pursuant to the 2020 Law, the application of international financial sanctions must be enforced by any Luxembourg natural or legal person, as well as any other natural or legal person operating in or from the Luxembourg territory. As a result, prior investing in assets, the Management Company or the appointed delegate must, as a minimum, screen the name of such assets or of the issuer against the target financial sanctions lists.

Data protection

Shareholders should note that by completing an application form to subscribe shares of the Company and returning it to the Company, they are providing the Company and the Management Company with information, which constitutes personal data. Personal data provided will be processed in accordance with the data privacy notice attached to the Company's application form, and which is available at any time from the Management Company on request.

Transfer of Shareholders' Confidential Information

Before subscribing for shares of the Company, the Shareholders should read this section "Transfer of Shareholders' confidential information", as well as the corresponding section in the application form.

The Management Company has appointed CACEIS BANK, LUXEMBOURG BRANCH as Registrar and Transfer Agent of the Company. In order to provide its services efficiently, the Registrar and Transfer Agent must enter into outsourcing arrangements with third party service providers in- or outside the CACEIS group (the "Sub-contractors"). As part of those outsourcing arrangement, the Registrar and Transfer Agent may be required to disclose and transfer personal and confidential information and documents about the Shareholder and individuals related to the Shareholder (the "Related Individuals") (the "Data transfer") (such as identification data – including the Shareholder and/or the Related Individual's name, address, national identification number, date and country of birth, etc. – account information, contractual and other documentation and transaction information) (the "Confidential Information") to the Sub-contractors. In accordance with Luxembourg law, the Registrar and Transfer Agent is required to provide a certain level

of information about those outsourcing arrangements to the Company and the Management Company, which, in turn, must be provided by the Company to the Shareholders.

A description of the purposes of the said outsourcing arrangements, the Confidential Information that may be transferred to Sub-contractors thereunder, as well as the country where those Sub-contractors are located is therefore set out in the below table.

Type of Confidential Information transmitted to the Sub-contractors	Country where the Sub-contractors are established	Nature of the outsourced activities
Confidential Information (as defined above)	Canada	<ul style="list-style-type: none"> • Transfer agent/ shareholders services (incl. global reconciliation) • IT infrastructure (hosting services) • IT system management / operation Services • IT services (incl. development and maintenance services) • Reporting • Investor services activities
	India	
	Ireland	
	Luxembourg	
	Malaysia	
	Poland	
	United Kingdom	

Confidential Information may be transferred to Sub-contractors established in countries where professional secrecy or confidentiality obligations are not equivalent to the Luxembourg professional secrecy obligations applicable to the Registrar and Transfer Agent. In any event, the Registrar and Transfer Agent is legally bound to, and has committed to the Company and the Management Company that it will enter into outsourcing arrangements with Sub-contractors which are either subject to professional secrecy obligations by application of law or which will be contractually bound to comply with strict confidentiality rules. The Registrar and Transfer Agent has further committed to the Company and the Management Company that it will take reasonable technical and organisational measures to ensure the confidentiality of the Confidential Information that is subject to the Data Transfer and to protect Confidential Information against unauthorised processing. Confidential Information will therefore only be accessible to a limited number of persons within the relevant Sub-contractor, on “a need to know” basis and following the principle of the “least privilege”. Unless otherwise authorised/required by law, or in order to comply with requests from national or foreign regulatory authorities or law enforcement authorities, the relevant Confidential Information will not be transferred to entities other than the Sub-contractors.

As regards the processing of personal data, the section “Data protection” above applies.

The Registrar and Transfer Agent’s general terms and conditions are available on the following website: www.caceis.com.

The M&G Group, the Company and the Management Company have appointed a third party service provider who will build a bespoke integrated, robust and scalable AUM and flow intelligence solution for the purpose of data collection and data consolidation in order to ensure its communication with Shareholders and regulators. To assist with this process globally, the Company and the Management Company in particular may use third party service providers who may be domiciled outside the European Union, and who may have their own service providers (together, “Data Consolidators”).

In this context, the Company has instructed the Management Company and/or the Registrar and Transfer Agent to transfer Confidential Information to Data Consolidators.

A description of the purposes of this arrangement, the Confidential Information that may be transferred to the Data Consolidators, as well as the countries where the Data Consolidators are located is set out in the below table.

Type of Confidential Information transmitted to Sub-contractors	Countries where the Sub-contractors are established	Nature of the outsourced activities
Shareholders' name, breakdown of their holding(s) (with number of shares held, relevant Fund and share classes), prices	EU countries United Kingdom	Data collection and consolidation

As regards the processing of personal data, section "Data protection" above applies.

Redemptions

Shareholders may apply for redemption of all or any of their Shares on any Dealing Day specified for the relevant Class of Shares in the relevant Fund Supplement.

Procedure

Shareholders should send a completed redemption request in a format approved by the Registrar and Transfer Agent to be received by the Registrar and Transfer Agent no later than the Dealing Request Deadline for the Dealing Day in question. If as a result of any redemption request, the number of Shares held by any Shareholder in a Class would fall below the Minimum Holding for that Class of Shares, if any, the Company may, in its absolute sole discretion, treat such request as a request to redeem the full balance of such Shareholder's holding of Shares in the relevant Class. Any redemption requests received after the Dealing Request Deadline for a Dealing Day will be processed on the next Dealing Day.

Redemption requests may be submitted to the Registrar and Transfer Agent by facsimile, provided that all the original documentation as may be required by the Company has been received by the Company or its delegate (including any documents in connection with anti-money laundering procedures) and the anti-money-laundering procedures have been completed in advance of the relevant Dealing Request Deadline.

A redemption request, once given, is irrevocable save with the consent of the Directors (which may be withheld in their absolute sole discretion).

Redemption price

The price paid upon redemption will be equal to the Price per Share as of the relevant Valuation Day determined in accordance with the section "Net Asset Value and Valuation of Assets".

The Company may charge a redemption charge as set out in the section "Fees and Expenses" and, if applicable, a dilution levy as set out in the section "Swing Pricing and Dilution Levy", as the case may be, and as specified in the relevant Fund Supplement.

The Global Distributor may deduct a Contingent Deferred Sales Charge from the redemption proceeds of Class X Shares, as set out in the section "Fees and Expenses".

The amount due will be transferred to the Shareholder's account of record by the Settlement Date.

Amendments to a Shareholder's details and payment instructions will (subject to the Company's discretion) only be effected on receipt of original documentation.

Settlement

Payment of redemption proceeds will be made as soon as practicable after the relevant Dealing Day and normally within three Business Days of the relevant Dealing Request Deadline, unless otherwise specified in the relevant Fund Supplement. However, Shareholders should note that different settlement procedures may apply in certain jurisdictions in which the relevant Fund may be registered for public distribution due to local constraints.

Payment will be made in the currency of denomination of the Shares being redeemed by direct transfer in accordance with instructions given by the redeeming Shareholder to the Registrar and Transfer Agent and at the Shareholder's risk.

Payments made on receipt of faxed instructions will only be processed where payment is made to the account of record as provided on either: (i) the original, duly signed, initial application form; or (ii) the original, duly signed bank mandate change request.

If a Shareholder has provided the Registrar and Transfer Agent with standing redemption instructions, the Company requests that Shareholders keep such instructions up-to-date, as failure to do so may delay the settlement of any future transactions. Fractions of Shares of up to three decimal places will be redeemed if necessary.

Investors should note that the Directors may refuse to settle a redemption request if it is not accompanied by such additional information as they, or the Registrar and Transfer Agent on their behalf, may reasonably require. This power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for anti-money laundering verification purposes as described under "Subscriptions".

Minimum redemption, conversion or transfer

The Directors may refuse to comply with a redemption, conversion or transfer instruction if it is given in respect of part of a holding in a relevant Share Class which has a value of less than the Minimum Holding amount as specified in the section "Share Class Details" or if to do so would result in such a holding being less than the Minimum Holding amount as specified in the section "Share Class Details".

Suspension

The Directors may declare a suspension of the redemption of Shares in certain circumstances as described in the section "Suspension of the Determination of the Net Asset Value".

No Shares will be redeemed during any such period of suspension.

Compulsory redemptions

The Directors may effect a compulsory redemption of any or all Shares held by a Shareholder at any time for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law, the Articles or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Directors might result in the Company, the Management Company or the Investment Manager incurring any liability or taxation or suffering any other disadvantage which the Company, the Management Company or the Investment Manager may not otherwise have incurred or suffered (including, but not limited to, Shareholders who are or become Ineligible Investors and/or US Persons).

In circumstances where a Shareholder is identified as a person from whom information is required for the purposes of fulfilling the requirements of FATCA, but such Shareholder fails to provide such required information and/or the classification of such Shareholder requires information to be reported to the Luxembourg tax authority, the Company may at the Directors' discretion choose to redeem such Shareholder's interest in any of the Funds.

Furthermore, the Directors may effect a compulsory redemption of any or all Shares held by a Shareholder at any time in exceptional circumstances where they determine that such a compulsory redemption is in the interest of investors. Subject to the relevant Fund Supplement, if the Net Asset Value of the Shares held by the Shareholder is less than the Minimum Holding, the Company reserves the right to require compulsory redemption of all Shares of the relevant Class held by a Shareholder or alternatively to effect a compulsory switch of all Shares of the relevant Class held by a Shareholder for Shares of another Class in the same Fund which have the same Share Class Currency but a lower Minimum Holding.

Where the Net Asset Value of the Shares held by a Shareholder is less than the Minimum Holding (if any) and the Company decides to exercise its right to compulsorily redeem for this reason, the Company will notify the Shareholder in writing and allow such Shareholder 30 calendar days to purchase additional Shares to meet the minimum requirement.

Deferred redemptions

The Directors may (but are not obliged to) defer redemptions at a particular Dealing Day to the next Dealing Day where the requested redemptions exceed 10% of a Fund's Net Asset Value. The Directors will ensure the consistent treatment of all Shareholders who have sought to redeem Shares at any Dealing Day at which redemptions are deferred. The Directors will pro-rate all such redemption requests to the stated level (i.e. 10% of the Fund's Net Asset Value) and will defer the remainder until the next Dealing Day and all following Dealing Days until the original request has been satisfied in full. The Directors will also ensure that all deals relating to an earlier Dealing Day are completed before those relating to a later Dealing Day are considered. If redemption requests are so carried-forward, the Registrar and Transfer Agent will inform the investors affected.

The Directors currently expect not to exercise such power to defer redemptions except to the extent that they consider that existing Shareholders would otherwise be materially prejudiced or that such exercise is necessary to comply with applicable law or regulation.

Redemptions in kind

The Directors may request that a Shareholder accepts a "redemption in kind" i.e. receives a portfolio of securities from the Company equivalent in value to the redemption proceeds. Where the Shareholder agrees to accept a redemption in kind it will receive a selection of the Company's holdings having due regard to the principle of equal treatment to all Shareholders.

The Directors may also, in their sole discretion, accept requests from Shareholders for redemption requests to be settled in kind. The value of each in kind redemption will be certified by an auditor's report, to the extent required by Luxembourg law.

All supplemental costs associated with the redemption in kind will be borne by the Shareholder requesting the redemption in kind or by such other third party as agreed by the Directors in their sole and absolute determination.

Switching between Funds or Classes

Except when issues and redemptions of Shares have been suspended in the circumstances described in the section "Suspension of the Determination of the Net Asset Value", and subject to the provisions of the relevant Fund Supplement, holders of Shares (except holders of Class X Shares and Class V Shares who should refer to the sub-section "Procedure for Class X Shares" and "Procedure for Class V Shares" below) may request a switch of some or all of their Shares in one Class or Fund (the "Original Class") for Shares in another Class or Fund (the "New Class"). Such switches can only take place, if following the switch, the Shareholder's holding in the New Class will satisfy the criteria and applicable Minimum Holding requirements (if any) of that Class or Fund.

Procedure

Shareholders should send a completed switch request in a format approved by the Registrar and Transfer Agent to be received by the Registrar and Transfer Agent prior to the earlier of the Dealing Request Deadline for redemptions in the Original Class and the Dealing Request Deadline for subscriptions in the New Class. Any applications received after such time will be dealt with on the next Dealing Day.

Switch requests must be between Share Classes denominated in the same currency and may be made by facsimile to the prompt receipt by the Registrar and Transfer Agent of the original signed switch request and such other supporting documents (such as documentation in relation to money laundering prevention checks) as may be required. Thereafter, Shareholders wishing to switch additional Shares may apply to switch Shares by facsimile and these applications may be processed without a requirement to submit original documentation, although these applications may be subject to the relevant Shareholder providing such other supporting documents (such as documentation in relation to money laundering prevention checks) as may be required.

If on any given Dealing Day, switch requests amount to the total number of Shares in issue in any or all Class of Shares or Funds, the calculation of the Price per Share within the relevant Class(es) of Shares may be deferred to take into consideration the fees incurred in closing of said Class(es) of Shares and/or of the relevant Fund.

Fractions of Shares of up to three decimal places may be issued by the Company on a switch where the value of Shares switched from the Original Class is not sufficient to purchase an integral number of Shares in the New Class and any balances representing entitlements of less than a fraction of a Share of up to three decimal places will be retained by the Company in order to discharge administration costs.

On the switch of Shares of a Fund for Shares of another Fund, the Articles authorise the Company to impose a switching fee, as specified in the Fund Supplement for the relevant Funds. The fee will not exceed an amount equal to the aggregate of the then prevailing redemption charge (if any) in respect of Original Class and the initial charge (if any) in respect of the New Class and is payable to the Management Company.

A switch request, once given, is irrevocable save with the consent of the Directors (which may be withheld in their discretion) or in the event of a suspension of calculation of the Net Asset Value of the Company in respect of which the switch requests are made.

A switch of Shares of one Fund or Class for Shares of another Fund or Class will be treated as a redemption of Shares and a simultaneous purchase of Shares. A switching Shareholder may, therefore, realise a taxable gain or loss in connection with the switch under the laws of the country of the Shareholder's citizenship, residence or domicile.

The number of Shares of the New Class to be issued will be calculated in accordance with the following formula:

$$S = \frac{(R \times P \times ER)}{SP}$$

where

- S is the number of Shares of the New Class to be allotted.
- R is the number of Shares in the Original Class to be redeemed.
- P is the Price per Share of the Original Class as at the relevant Dealing Day.
- ER is the currency exchange factor (if any) as determined by the Administrator as representing the effective rate of exchange of settlement on the relevant Dealing Day applicable to the transfer of assets between the relevant Funds or Classes where the base currencies are different or, where the base currencies are the same, ER = 1.
- SP is the Price per Share of the New Class as at the relevant Dealing Day.

All terms and notices regarding the redemption of Shares shall equally apply to any switch of Shares. On a switch the accrued Performance Fee (if any) would crystallise.

Procedure for Class X Shares

Unless otherwise disclosed in the relevant Fund Supplement, switches for Class X Shares are restricted as follows. Holders of Class X Shares may only switch into Class X Shares of another Fund, and switches are limited to Funds where Class X Shares are available. Class X Shares may only be switched in full per the original subscription. The holding period and corresponding applicable CDSC of the Original Class, as described in the section "Fees and Expenses", will be transferred to the New Class.

The Directors may at their absolute discretion reject any switch request or waive any switch restriction in whole or in part.

Please note that switches using the above procedures can only take place between Share Classes that are denominated in the same currency. Switches between Share Classes with different currencies would have to be placed by the Shareholder as a separate redemption and a corresponding subscription either for an estimated amount on the same day or for an amount calculated on the next day once the value of the redemption is known. The cash and foreign exchange aspect of the switch, therefore, will be managed by the Shareholder.

Procedure for Class V Shares

Switches are not allowed from other Funds into Class V Shares of the M&G (Lux) Optimal Income Fund, unless otherwise decided by the Management Company.

Transfers

A Shareholder may, subject to the approval of the Management Company, transfer Shares to one or more other persons, provided that all Shares have been paid in full with cleared funds and each transferee: (i) is not an Ineligible Investor; and (ii) meets the qualifications of a Shareholder in the relevant Class of Shares.

In particular, the Company may decline to register a transfer of Shares to a U.S. Person if such transfer would have a material adverse effect on the Company, the Shareholders or any Fund.

In order to transfer Shares, the Shareholder must notify the Registrar and Transfer Agent of the proposed date and the number and Class of Shares to be transferred. In addition, each transferee must complete an application form before the transfer request can be accepted. The Shareholder should send its transfer notice and each completed application form to the Registrar and Transfer Agent.

The Registrar and Transfer Agent may request a transferee to provide additional information to substantiate any representation made by the transferee in its application form. The Registrar and Transfer Agent will reject any application form that has not been completed to its satisfaction. The Registrar and Transfer Agent will not effectuate any transfer until it is satisfied with the form of notice from the transferring Shareholder and has accepted each transferee's transfer application.

Any Shareholder transferring Shares and each transferee, jointly and separately, agree to hold the Company and each of its agents harmless with respect to any loss suffered by one or more of them in connection with a transfer.

Valuation

Net Asset Value and valuation of assets

The Net Asset Value per Share of each Share Class within each Fund shall be determined by the Administrator under the supervision of the Directors and the Management Company, in accordance with the requirements of the Articles.

The Net Asset Value per Share of each Share Class within each Fund will be expressed in the Reference Currency of each Share Class, to the nearest four (4) decimal places, and shall be determined for each Fund as of the relevant Valuation Day by dividing the Net Asset Value of the Fund attributable to that Share Class (being the total assets of the Fund attributable to that Share Class less the total liabilities of the Fund attributable to that Share Class) by the total number of Shares of that Share Class of the Fund outstanding, in accordance with the valuation rules set forth below.

Shares of each Share Class in the Fund may perform differently, and each Fund (and Share Class if appropriate) will bear its own fees and expenses (to the extent specifically attributable to the Fund (or Share Class)).

For a Share Class which is expressed in a currency other than the Reference Currency of the relevant Fund, the Net Asset Value per Share of that Share Class shall be the Net Asset Value per Share of the Share Class of that Fund calculated in the Reference Currency of the Fund and converted into the Share Class Currency at the currency exchange rate (at the relevant valuation point) between the Fund Reference Currency and Share Class Currency.

In the event that a Fund hedges the foreign currency exposure of any of its Shares Classes expressed in a currency other than the Reference Currency of the relevant Fund (or any other types of exposure in accordance with the terms of the relevant Share Class), the costs and any benefit of such hedging will in each case be allocated solely to the relevant Currency Hedged Share Class to which the currency hedging relates.

On each Valuation Day for a Fund the Administrator will calculate Net Asset Value by reference to a valuation point. On any Valuation Day the Management Company may determine, in conformity with the guidelines established by the Directors, to apply swing pricing to the Net Asset Value per Share of a Fund (as described in section "Swing Pricing and Dilution Levy").

For the purposes of calculating the Net Asset Value of the Company, the property will be valued using the most recent prices which it is practicable to obtain (unless otherwise specifically described below):

A Units or shares in a collective investment scheme:

- If a single price for buying and selling units is quoted, at the most recent such price; or
- If separate buying or selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price excludes any exit or redemption charge attributable thereto; or
- If in the opinion of the Directors, the price obtained is unreliable or no recent traded price is available or no recent price exists, at a value which, in the opinion of the Directors, is fair and reasonable;

B Exchange traded derivative contracts:

- If a single price for buying and selling the exchange-traded derivative contract is quoted, at that price;
- If separate buying and selling prices are quoted, at the average of the two prices;
- If in the opinion of the Directors, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which in the opinion of the Directors is fair and reasonable;

C OTC Derivatives shall be valued in accordance with the policies established by the Directors, on a basis consistently applied for each different type of contract;

D Any other Transferable Securities or Money Market Instrument:

- If a single price for buying and selling the security is quoted, at that price;
- If separate buying and selling prices are quoted, at the average of the two prices; or
- if, in the opinion of the Directors, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which in the opinion of the Directors is fair and reasonable;

E Assets other than those described in (A), (B), (C) and (D) above: at a value which, in the opinion of the Directors, represents a fair and reasonable mid-market price;

F Cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall normally be valued at their nominal values.

In calculating the Net Asset Value of each Fund the following principles will apply:

A In determining the value of the Company property, all instructions given to issue or cancel Shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the applicable laws or regulations or the Articles shall be assumed (unless the contrary shown to have been taken);

B Subject to paragraph (C) below, agreements for the unconditional sale or purchase of property which are in existence and confirmed but uncompleted between both parties shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Directors, their omission will not materially affect the final Net Asset Value amount;

C Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased Options shall not be included under paragraph (B);

D An estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Company; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) at that point in time;

E An estimated amount for any liabilities payable out of the Company property and any tax thereon treating certain periodic items as accruing from day to day will be deducted;

F The principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings will be deducted;

G An estimated amount for accrued claims for repayments of tax of whatever nature to the Company which may be recoverable will be added;

H Any other amounts due to be paid into the Company property will be added;

I A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added;

J The amount of any adjustment deemed necessary by the Directors to ensure that the Net Asset Value is based on the most recent information and is fair to all Shareholders will be added or deducted as appropriate; and

K Currencies or values in currencies other than the Reference Currency of the relevant Fund shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

The Directors may at their discretion permit any other method of valuation to be used if they believe that such other method provides a valuation which more accurately reflects the fair value of any asset of a Fund.

The Directors have delegated to the Administrator the day-to-day responsibility for the calculation of the Net Asset Value and Net Asset Value per Share.

Swing pricing and dilution levy

In certain circumstances, the actual cost of purchasing or selling investments for a Fund may deviate from the value of these assets used in calculating the Net Asset Value per Share in a Fund or Class due to dealing costs such as broker charges, commissions, transaction taxes, and any spread between the buying and selling prices of the underlying investments. These dealing costs can have an adverse effect on the value of a Fund, known as "dilution".

In order to prevent this effect, and the consequent potential adverse impact on the existing or continuing Shareholders' holdings, the Directors have elected to operate a policy of "swing pricing". This policy gives the Directors the power to apply a swing price adjustment to the Net Asset Value per Share to cover dealing costs and to preserve the value of the underlying assets of a Fund. A swing price adjustment may be applied in the event that the daily net subscriptions or net redemptions (including as a result of requests to switch from one Fund to another Fund), exceed a predetermined threshold set by the Directors, in their sole discretion, from time to time. To this extent the partial swing pricing mechanism is utilised.

The swing pricing policy will be established and approved by the Directors and implemented by the Administrator.

Unless the Directors determine otherwise, a swing price adjustment may be added to the Net Asset Value per Share at which Shares will be issued (where there are net inflows into a Fund) or deducted from the Net Asset Value per Share at which Shares will be redeemed (in the case of net outflows from the Fund). A swing price adjustment may also be applied in any other case where the Directors are of the opinion that it is in the interests of existing/remaining Shareholders and potential Shareholders that a swing price adjustment be applied.

Shareholders should be aware that under normal market conditions, the swing price adjustment will not exceed 2% of the Net Asset Value of the relevant Class or Fund, unless otherwise stated in the relevant Fund Supplement. This adjustment may however be significantly higher and beyond the maximum threshold during exceptional market conditions such as periods of high volatility, reduced asset liquidity and market stress.

The swing price adjustment will generally apply to all Funds, unless a dilution levy applies.

Some Funds may charge a dilution levy applying to subscriptions and redemptions of Shares, as the case may be and as disclosed in the relevant Fund Supplement. In these cases the dilution levy will not form part of the price at which shares will be issued, but is a separate charge that is applied. As at the date of this Prospectus, the dilution levy is not applied to any Funds.

Shareholders should be aware that the dilution levy will generally not exceed 2% of the Net Asset Value of the relevant Class or Fund, unless otherwise stated in the relevant Fund Supplement.

Any such adjustment charged will be for the account of the relevant Fund and the Directors reserve the right to waive the swing price adjustment or dilution levy at any time. When a swing price adjustment or dilution levy is not applied the relevant Fund may suffer dilution. Shareholders should note that a Fund's short-term performance may experience greater volatility as a result of the swing pricing policy.

Publication of Price per Share

The Price per Share may be obtained free of charge from, and will be available at the offices of the Registrar and Transfer Agent during business hours on each Business Day.

In addition, the Price per Share is published on the [M&G website](#).

Suspension of the Determination of the Net Asset Value

The Directors may at any time and from time to time temporarily suspend the determination of the Net Asset Value of the Company or a Fund and therefore the issue, switch and redemption of Shares in any Fund:

- A** During the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Regulated Markets on which the Company's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or
- B** During the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation by the Company of investments of the Fund is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the Company; or
- C** During the whole or part of any period when any breakdown occurs in the means of communication normally employed in determining the price or value of any of the Company's investments of the relevant Fund; or
- D** During the whole or any part of any period when for any reason the price or value of any of the Company's investments cannot be reasonably, promptly or accurately ascertained; or
- E** During the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of the Company or the Fund being unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange; or
- F** Following a possible decision to merge, liquidate or dissolve the Company or, if applicable, one or several Funds; or
- G** Following the suspension of the calculation of the Net Asset Value per Share, the issue, redemption and/or the switch at the level of a master fund in which the Fund invests in its capacity as feeder fund of such master fund; or
- H** If any other reason makes it impossible or impracticable to determine the value of a portion of the investments of the Company or any Fund; or
- I** If, in exceptional circumstances, the Directors determine that suspension of the determination of Net Asset Value is in the interest of Shareholders (or Shareholders in that Fund as appropriate).

Any suspension of valuation of the Net Asset Value of the Company or a Fund and the issue, switch and redemption of Shares in any Class shall be notified to Shareholders having made an application for subscription, redemption or switch of Shares for which the calculation of the Net Asset Value has been suspended.

Such suspension as to any Fund shall have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and switch of Shares of any other Fund, if the assets within such other Fund are not affected to the same extent by the same circumstances.

Fees and expenses

Any fees or expenses payable by a Shareholder or out of the assets of the Company are set out in this section and categorised as (i) one-off charges taken before or after investing, (ii) fees and expenses taken from the share class, and (iii) fees and expenses taken from the Fund.

One-off charges taken before or after investing

Initial charge

Distributors are permitted to take an initial charge at the point of subscription of Shares.

Where applicable, the percentage rate of the initial charge is disclosed in the relevant Fund Supplement.

The maximum amount for such initial charge is 5.00% of the value of the relevant subscription.

The Management Company does not levy or receive any initial charge.

No initial charge applies to Class X Shares. Instead a CDSC is charged as described below.

Redemption charge

The Company is permitted to take a redemption charge on the redemption of Shares by a Shareholder.

Where applicable, the percentage rate of the redemption charge is disclosed in the relevant Fund Supplement. Any redemption charge is passed to the Management Company.

Without limitation to the general power to make a redemption charge, the Company will consider making a redemption charge on the redemption of Shares by an investor in the event that the Company considers that such investor is systematically redeeming or switching shares within a short time period.

Further information in relation to the Company's position on market timing can be found in the section "The Company and the Funds - Prevention of Late Trading and Market Timing".

Dilution levy and swing price adjustment

Please refer to the above section "Swing Pricing and Dilution Levy".

Contingent Deferred Sales Charge specific to Class X

The Global Distributor is permitted to charge a CDSC on the redemption of Class X Shares by a Shareholder.

The CDSC applies to Class X Shares only.

A CDSC is a charge that is deducted from the redemption proceeds of Class X Shares at the percentage rates below when Class X Shares are redeemed within three years of the original subscription date:

- First year: 3.00%
- Second year: 2.00%
- Third year: 1.00%
- Thereafter: 0%

The holding period of Class X Shares is determined by:

- The Class X Shares selected by a Shareholder for redemption (the "Selected Shares");

- The original subscription date of the Selected Shares;
- The original subscription dates of the Selected Shares in another Fund from which the Shares were switched, as the case may be.

The amount of the CDSC is calculated by multiplying the relevant CDSC percentage rate set out above by the lower of the Price per Share on the date of the original subscription or the Price per Share on the date of redemption of the Selected Shares.

Any CDSC is retained by the Global Distributor.

Additional Class X Shares acquired through the reinvestment of dividends are exempt from the CDSC.

At its discretion, the Global Distributor may decide not to apply the CDSC payable on the redemption or switch of Class X Shares as result of a closure, merger or division of Funds and Share Classes as described in sections "Closure of Funds and Classes" and "Mergers and Divisions".

Fees and Expenses taken from the share class

Annual Management Charge

Unless otherwise specified in the relevant Fund Supplement, the Management Company is permitted to receive payment from each Share Class of each Fund for carrying out its duties and responsibilities. This is called the Annual Management Charge (sometimes abbreviated to "AMC").

The Annual Management Charge is calculated and taken into account daily based on a percentage of the Net Asset Value of each Share Class in each Fund. It is paid fortnightly to the Management Company. The annual rate for each Share Class in each Fund is set out in the relevant Fund Supplement.

The daily charge is one-365th of the Annual Management Charge (or one-366th if it is a leap year). If the day is not a Dealing Day, the daily charge is taken into account on the next Dealing Day. The Management Company calculates this charge using the Net Asset Value of each Share Class on the previous Dealing Day.

The Management Company may from time to time, and in its sole discretion, and out of its own resources decide to waive or return to the Company all or a portion of the fee payable to the Management Company. It may also in its sole discretion based on objective criteria, and out of its own resources decide to rebate to some or all Shareholders, their agents or to intermediaries, part or all of the fee payable to the Management Company.

The Management Company shall also be entitled to be repaid all of its disbursements out of the assets of the Company, including legal fees, couriers' fees and telecommunication costs and expenses which shall be at normal commercial rates together with value added tax, if any, thereon.

The Investment Manager is remunerated by the Management Company from its Annual Management Charge.

Administration Charge

Unless otherwise specified in the relevant Fund Supplement, the Management Company is permitted to take a charge from each Share Class of each Fund as payment for administrative services to the Company. This is called the Administration Charge.

Unless otherwise specified in the relevant Fund Supplement, the Administration Charge includes:

- Administrator's fees for the administrative duties carried out;
- Registrar and Transfer Agent's fees for the maintenance of the Company's register and the payment of distributions;
- Paying Agents' fees which are the fees and expenses of any paying agent(s) appointed by the Company;
- Directors' fees which are an annual fee, published in the corresponding annual/half-yearly report. The Management Company shall also reimburse the expenses of the Directors (in accordance with the Articles),

including the reasonable travel expenses of the Directors and all of the costs of insurance for the benefit of the Directors (if any);

- Domiciliary Agent's fees which are the fees and expenses of the Domiciliary Agent appointed by the Company;
- Other service providers' fees related to alternative and/or additional service providers that may be appointed by the Company; and
- Fees of regulators in countries where the Funds are registered for sale.

The Administration Charge is calculated and taken into account daily based on a percentage of the Net Asset Value of each Share Class in each Fund. It is paid fortnightly to the Management Company. The maximum annual percentage which is charged for each Share Class in a Fund is set out in the relevant Fund Supplement for each Fund.

If the cost of providing administrative services to the Company is more than the Administration Charge taken in any period, the Management Company will make up the difference. If the cost of providing administrative services to the Company is less than the Administration Charge taken in any period, the Management Company will keep the difference.

Discounts to the Administration Charge

The Management Company will pass on to Shareholders some of the benefits of potential savings achieved from economies of scale generated by a significant growth of assets under management in a Fund, by applying a discount to the Administration Charge of the relevant Fund. The applicable discount to the Administration Charge will be determined by the size of the Fund as shown in the table below.

The Management Company reserves the right to change the Net Asset Value range or change the discount associated with each band of the Net Asset Value range as shown in the table below. In exceptional circumstances, the Management Company may also at its discretion determine that changing the calculation methodology of the discounted Administration Charge is in the best interests of Shareholders.

The Net Asset Value of the Funds will be reviewed at least at the end of each quarter in order for the applicable discount to be implemented no later than 13 Business Days after the end of the relevant quarter, for example from 31 March until the 13th Business Day in April at the latest. Where a Fund has experienced a decline in its Net Asset Value, the discount will only be removed or reduced when the Net Asset Value is lower than the relevant threshold after the application of a buffer as shown in the table below.

The discounted Administration Charge will be calculated as follows: Administration Charge (as per Fund Supplement) – Discount (as per the table below).

Fund Net Asset Value	Administration Charge discount	Buffer applied in case of reducing Fund Net Asset Value	Discount removed or reduced when a Fund Net Asset Value falls to
EUR 0 – 1.25bn	Nil	Not applicable	Not applicable
EUR 1.25-2.50bn	0.02%	EUR 125m	EUR 1.125bn
EUR 2.50-3.75bn	0.04%	EUR 125m	EUR 2.375bn
EUR 3.75-5.00bn	0.06%	EUR 125m	EUR 3.625bn
EUR 5.00-6.25bn	0.08%	EUR 125m	EUR 4.875bn
EUR 6.25-7.50bn	0.10%	EUR 250m	EUR 6.000bn
More than EUR 7.50bn	0.12%	EUR 250m	EUR 7.250bn

The Net Asset Value of a Fund is calculated in EUR or converted into EUR for the Funds which have a non-EUR Reference Currency.

Information regarding the discounted Administration Charge, including any discount currently applicable to each Share Class per Fund can be found on the M&G website.

See below a numerical example:

Time	Fund AUM	Discounted Administration Charge for a Share Class Administration Charge: up to 0.15%
Quarter 1	EUR 1.67bn	0.13% (0.15% - 0.02%) A 0.02% discount is applied to the Administration Charge as the Fund's Net Asset Value is in the EUR 1.25-2.50bn range
Quarter 2	EUR 1.20bn	0.13% No change as the Fund's Net Asset Value falls within the EUR 125m buffer and has not reduced below the EUR 1.25bn threshold.
Quarter 3	EUR 958m	0.15% The 0.02% discount is removed as the Fund's Net Asset Value is below the EUR 125m buffer.
Quarter 4	EUR 1.45bn	0.13% (0.15% - 0.02%) A 0.02% discount is applied as the Fund's Net Asset Value is in the EUR 1.25-2.50bn range.
Quarter 5	EUR 2.85bn	0.11% (0.15% - 0.04%) A 0.04% discount is applied to the Administration Charge as the Fund's Net Asset Value is in the EUR 2.50-3.75bn range.

No discount is applied to the Administration Charge for Funds that apply a Single Charge as described in the below section "Single Charge".

Distribution Charge specific to Class X

For Class X Shares only, the Management Company is also permitted to take an annual charge of 1% of the Net Asset Value from Class X Shares as payment to the Global Distributor for distribution related services. This is called the Distribution Charge.

The Distribution Charge is calculated and taken into account daily based on a percentage of the Net Asset Value of each Class X Shares and is paid fortnightly to the Management Company on the same basis as described in the above section "Annual Management Charge".

Performance Fee

The Management Company may be entitled to receive a Performance Fee from the Company, which is payable to the Investment Manager, in addition to other fees and expenses.

The Management Company is entitled to such a Performance Fee if, in any accounting year, the performance of the relevant share class on an applicable Fund exceeds the return of the Hurdle Rate during the same period, subject to the operation of a High Water Mark.

Where applicable, the Performance fee rate and the Hurdle Rate are set out in the relevant Fund Supplement.

Full details on how the Performance Fee is accrued and charged and the definitions of the terms used herein are disclosed in Appendix 2.

Share Class Hedging Fees

The Management Company is permitted to take a charge from each Currency Hedged Share Class of each Fund as payment for currency hedging services to that Share Class. This is called the Share Class Hedging Charge.

The Share Class Hedging Charge is a variable annual rate which is not expected to exceed 0.06%. The exact rate will vary within the specified range depending upon the total amount of share class currency hedging activities across the entire

range of SICAVs managed by the Management Company.

The Share Class Hedging Charge is calculated and taken into account daily based on a percentage of the Net Asset Value of each hedged Share Class in each Fund and paid fortnightly on the same basis as described in the above section "Annual Management Charge".

If the cost of providing share class currency hedging services to the Fund is more than the Share Class Hedging Charge taken in any period, the Management Company will make up the difference. If the cost of providing share class currency hedging services to the Company is less than the Share Class Hedging Charge taken in any period, the Management Company will keep the difference.

Taxe d'abonnement

This is a subscription tax payable by each Share Class depending upon whether the investor whom the Share Class is sold to is an Institutional Investor or a retail investor. For further details, see section "Taxation" of the Prospectus.

The *taxe d'abonnement* is calculated and taken into account daily based on a percentage of the Net Asset Value of each Share Class in each Fund on the same basis as described in the above section "Annual Management Charge".

The *taxe d'abonnement* for each Share Class in each Fund is disclosed in the relevant Fund Supplement.

Single Charge

When provided for in the relevant Fund Supplement, the Management Company may receive a single charge. This charge covers the duties of the Management Company, as well as operating, administrative and oversight costs associated with the relevant Fund. Such charge (the "Single Charge") will be calculated and taken into account daily based on a percentage of the Net Asset Value of each Share Class in each Fund that applies the Single Charge and is paid fortnightly to the Management Company on the same basis as described in the above section "Annual Management Charge".

The Single Charge is based on a percentage of the Net Asset Value of each Share Class in each Fund. The annual percentage rate which will be charged is set out in the Fund Supplement for each Fund.

Unless otherwise defined in the relevant Fund Supplement, the Single Charge includes:

- Annual Management Charge;
- Administration Charge (the discount on the Administration Charge as described in the above section "Administration Charge" is not applicable to Funds that apply a Single Charge);
- *Taxe d'abonnement*;
- Depositary's Charge;
- Custody Charges and Custody Transaction Charges; and
- Other expenses;

Unless otherwise defined in the relevant Fund Supplement, the Single Charge excludes:

- Portfolio transaction costs (dealing spread, broker commissions, transfer taxes and stamp duty incurred by the Company on the Fund's transactions);
- Share Class Hedging Charge (where applicable);
- Any initial charge or redemption charge; and
- Any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge imposed on the Fund that would not be considered as ordinary expenses.

Where a Fund invests in the units or shares of other funds, the fees and expenses incurred in underlying funds follow the treatment described in the above section "Fees and Expenses of Investing in Other Funds".

As at the date of this Prospectus the following Funds apply a Single Charge:

- M&G (Lux) Sustainable Macro Flexible Credit Fund;
- M&G (Lux) Fixed Maturity Bond Fund 1;
- M&G (Lux) Fixed Maturity Bond Fund 2;
- M&G (Lux) Fixed Maturity Bond Fund 3;
- M&G (Lux) Fixed Maturity Bond Fund 4;
- M&G (Lux) Fixed Maturity Bond Fund 5;
- M&G (Lux) Fixed Maturity Bond Fund;
- M&G (Lux) Fixed Maturity Bond Fund 7;
- M&G (Lux) Fixed Maturity Bond Fund 8;
- M&G (Lux) Fixed Maturity Bond Fund 9;
- M&G (Lux) Fixed Maturity Bond Fund 10;
- M&G (Lux) Fixed Maturity Bond Fund 11;
- M&G (Lux) Fixed Maturity High Yield Bond Fund;
- M&G (Lux) Asian Fixed Maturity Bond Fund 1;
- M&G (Lux) Asian Fixed Maturity Bond Fund 2; and
- M&G (Lux) Asian Fixed Maturity Bond Fund 3.

Fees and Expenses taken from the Fund

Depository's Fees

Unless otherwise specified in the relevant Fund Supplement, the Depository takes a charge from each Fund as payment for its duties as depository. This is called the Depository's Charge.

The Depository's Charge is based on the Net Asset Value of each Fund, and in normal circumstances, the fees payable to the Depository for its provision of services shall be subject to a maximum of 1 basis point.

The Depository's Charge is calculated and taken into account daily on the same basis as described in the above section "Annual Management Charge".

The Depository may also make a charge for its services in relation to:

- Distributions;
- The provision of banking services;
- Holding money on deposit;
- Lending money;
- Engaging in stock lending, derivative or unsecured loan transactions;
- The purchase or sale, or dealing in the purchase or sale of, the assets of the Company;
- Provided that the services are in accordance with the provisions of applicable law.

The Depository is also entitled to payment and reimbursement of all costs, liabilities and expenses it incurs in the performance of, or in arranging the performance of, functions conferred on it by the Articles or by general law. Such expenses generally include, but are not restricted to:

- Delivery of stock to the Depository or custodian;
- Collection and distribution of income and capital;
- Submission of tax returns and handling tax claims;
- Such other duties as the Depository is permitted or required by law to perform.

Custody Charges

Unless otherwise specified in the relevant Fund Supplement, the Depository is entitled to be paid a Custody Charge in relation to the safe-keeping of each Fund's assets ("custody").

The Custody Charge is variable depending upon the specific custody arrangements for each type of asset.

The Custody Charge is a range between 0.00005% and 0.40% of the asset values per annum.

The Custody Charge is taken into account daily in each Share Class's price. It is calculated each month using the value of each asset type and it is paid to the Depository when it invoices the Fund.

Custody Transaction Charges

Unless otherwise specified in the relevant Fund Supplement, the Depository is also entitled to be paid Custody Transaction Charges in relation to processing transactions in each Fund's assets. The Custody Transaction Charges vary depending on the country and the type of transaction involved. The Custody Transaction Charges generally range between EUR5 and EUR100 per transaction. The Custody Transaction Charges are taken into account daily in each Share Class's price. It is calculated each month based on the number of transactions that have taken place and it is paid to the Depository when it invoices the Fund.

Fees and expenses of investing in other funds

Where a Fund invests in the units or shares of other funds, these underlying funds will also incur fees and expenses and publish a KID which includes a summary indicator of these costs.

If the underlying fund is managed by the Management Company, or by an associate of the Management Company:

- The Management Company will reduce its Annual Management Charge and Administration Charge by the amount of any Annual Management Charge and Administration Charge that has been taken on the underlying funds.
- Underlying funds managed by the Management Company, or by an associate of the Management Company, will also waive any initial or redemption charges which might otherwise apply. This way the Management Company ensures that Shareholders are not charged twice.
- The reduction in the Annual Management Charge and Administration Charge is calculated and taken into account daily based on a percentage of the Net Asset Value of each Share Class in each Fund on the same basis as described in the above section "Annual Management Charge".
- The Management Company does not rebate any other charges incurred within funds managed by the Management Company, or by an associate of the Management Company, and these charges will therefore be incorporated into the summary cost indicator of the relevant Fund.

If the underlying fund is not managed by the Management Company, or by an associate of the Management Company, the summary cost indicator of the underlying fund is reflected in the summary cost indicator of the relevant Fund.

Other expenses

Unless otherwise specified in the relevant Fund Supplement, the costs and expenses relating to the authorisation and incorporation and establishment of the Company, the offer of Shares, the preparation and printing of this Prospectus and the fees of the professional advisers to the Company in connection with the offer will be borne by the Management Company.

The direct establishment costs of each Fund formed, or Share Class created, may be borne by the relevant Fund or by the Management Company at its discretion.

The Company may pay out of the property of the Company charges and expenses incurred by the Company unless they are covered by the Administration Charge. These include the following expenses:

- Reimbursement of all out of pocket expenses incurred by the Management Company in the performance of its duties;
- Portfolio transaction costs including dealing spread, broker's commission, transfer taxes and stamp duty, and other disbursements which are necessarily incurred in effecting transactions for the Funds;
- Any fees or expenses of any legal or other professional adviser of the Company;
- Any costs incurred in respect of meetings of Shareholders convened on a requisition by Shareholders but not those convened by the Management Company or an associate of the Management Company;
- Liabilities on unitisation, amalgamation or reconstruction including certain liabilities arising after transfer of property to the Funds in consideration for the issue of Shares;
- Interest on borrowing and charges incurred in effecting or terminating such borrowing or in negotiating or varying the terms of such borrowing on behalf of the Funds;
- Taxation and duties payable in respect of the property of the Funds or of the issue or redemption of Shares;
- The audit fees of the Auditor (including value added tax) and any expenses of the Auditor;
- If the Shares are listed on any stock exchange, the fees connected with the listing (though none of the Shares are currently listed);
- Any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge imposed on the Fund that would not be considered as ordinary expenses; and
- Any value added or similar tax relating to any charge or expense set out herein.

Any such operating and other expenses may be deferred and amortised by the Company, in accordance with standard accounting practice, at the discretion of the Directors.

An estimated accrual for operating expenses of the Company will be provided for in the calculation of the Net Asset Value of the Company. Operating expenses and the fees and expenses of service providers which are payable by the Company shall be borne by all Shares in proportion to the Net Asset Value of the Company, or any other basis which the Directors deem appropriate, or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Class shall be borne solely by the relevant Class.

The cost and expenses relating to research services provided to the Investment Manager by brokers, or independent research providers, will be borne by the Investment Manager.

Fees and expenses borne by the Management Company

The Management Company pays the audit fees and custody transaction charges for Funds that have a total Net Asset Value of less than EUR 200 million (the "Threshold") (or equivalent in EUR for the Funds which have a non-EUR Reference Currency).

The Management Company reviews the Net Asset Value of the Funds at the end of each quarter.

If at the end of two consecutive quarters a Fund's Net Asset Value is:

- below the Threshold: the audit fees and custody transaction charges will be borne by the Management Company and excluded from the calculation of the Net Asset Value of the Fund.
- above the Threshold: the audit fees and custody transaction charges will be included in the calculation of the Net Asset Value of the Fund no later than the 13th Business Day from each quarter end.

The Management Company reserves the right to amend or remove the Threshold.

Allocation of fees, charges and expenses

All fees, duties, charges and expenses are charged to the relevant Fund and/or relevant Class in respect of which they were incurred. Where an expense is not considered to be attributable to any one Fund, the expense will normally be allocated to all Funds pro rata to the value of the Net Asset Value of the Funds, although the Directors may, in their discretion, allocate such fees and expenses in a manner which it considers fair to Shareholders generally.

For Distribution Shares, unless otherwise specified in the relevant Fund Supplement, most charges and expenses are charged to capital. This treatment of the charges and expenses may increase the amount of income distributed to Shareholders in the Share Class concerned, but it may constrain capital growth.

For Accumulation Shares, most charges and expenses are paid from income. If there is insufficient income to fully pay those charges and expenses, the residual amount is taken from capital.

Taxation

The paragraphs below on Luxembourg taxation are brief summaries relating to current law and practice which may be subject to change and interpretation. The terms defined below should have the meaning given to them in the relevant laws and regulations.

The information given below does not constitute legal or tax advice and prospective investors should consult their own professional advisers on the possible tax consequences of subscribing, selling, converting, holding or redeeming Shares under the laws of the jurisdictions in which they may be subject to taxation. Investors are also advised to inform themselves as to any exchange control regulations applicable in their country of residence. Some Shareholders may be subject to anti-offshore fund legislation and may have tax liability on the undistributed gains of the Company. The related consequences will vary with the law and practice of the jurisdiction with which the Shareholder has its residence, domiciliation or its incorporation as well as with the specific case of each Shareholder.

The Directors of the Company and each of the Company's agents shall have no liability in respect of specific tax case of Shareholders.

Dividends, interest and capital gains (if any) which the Company receives with respect to investments may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Luxembourg and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company, the Net Asset Value will not be re-stated and the benefit will be allocated pro rata to the existing Shareholders at the time of repayment.

Automatic exchange of information

Shareholders are informed that they are required to provide the Registrar and Transfer Agent with such information as is specified in the subscription form of the Company to enable the Company or the designated service provider of the Company to assess the status of Shareholders under FATCA and OECD CRS, in order for any subscription or subsequent subscription application to be accepted by the Company. The Company or the designated service provider of the Company may require Shareholders to provide any additional document it deems necessary to effect such assessment.

In case of delay or failure by a Shareholder to provide the documents required, the application for subscription may not be accepted. Neither the Company, nor the Registrar and Transfer Agent, has any liability for delays or failure to process deals as a result of the Shareholders providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated documents from time to time pursuant to on-going client due diligence requirements under FATCA and OECD CRS. Shareholders shall promptly inform the Company, or the Registrar and Transfer Agent, in case their status under FATCA or OECD CRS may change or has changed.

FATCA

FATCA provisions and related intergovernmental agreements (the "IGAs"), including the IGA entered into between the U.S. and Luxembourg on 28 March 2014 (the "U.S. Luxembourg IGA") approved by the Luxembourg law of 24 July 2015, generally require Luxembourg Foreign Financial Institutions (definitions have hereinafter the meaning given to them in the U.S. Luxembourg IGA) (the "FFIs") to report information concerning U.S. persons' direct and indirect ownership of certain U.S. Reportable Accounts. Such reporting is made directly to the Luxembourg tax administration, which will in turn report this to the U.S. Internal Revenue Service. Failure to provide the requested information may lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

The basic terms of the U.S. Luxembourg IGA include the Company as a FFI. The Company may require all Shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above-mentioned IGA.

An infringement of the obligations derived from FATCA may generate sanctions at the level of the FI ranging from EUR 1,500 to 0.5% of the amount object of the reporting. All prospective investors and Shareholders are advised to consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Company.

OECD CRS

The Luxembourg law of 18 December 2015 (the "AEOI Law") introduced automatic exchange of information requirements by transposing European Council Directive 2014/107/EU of 9 December 2014 which adopted the OECD CRS. Consequently, Financial Institutions (definitions have hereinafter the meaning given to them in the AEOI Law) are required to undertake on-boarding and due diligence procedures and report to the Luxembourg tax administration certain information about Account Holders who are tax resident in other Participating Jurisdictions. This information will be exchanged by the Luxembourg tax administration with the tax authorities of the country of residence of the reportable Account Holder.

Under the AEOI Law, Reporting Financial Institutions (including, amongst others, and under certain conditions, investment funds) are obliged to report information on account balances and financial income defined in a broad way (including, amongst others, distributions made by investment funds, and redemptions of fund units or shares), paid or credited to certain persons, which, broadly speaking, are tax residents of another Member State or of certain third countries that have signed a bilateral convention allowing such exchange.

The automatic exchange of information provisions covered in the AEOI Law are based on the OECD CRS, which has been developed by the OECD in the context of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters of 1 June 2011 (as amended). More than 100 jurisdictions have signed this OECD Multilateral Convention, or announced its intention to sign it. It is expected that additional multilateral and/or bilateral conventions will be concluded between a growing number of jurisdictions in order to impose similar automatic exchange of information obligations in the field of taxation.

Despite anything else herein contained and as far as permitted by Luxembourg law, the Company shall have the right to notably:

- require any Shareholder or beneficial owner of the Shares to promptly furnish such personal data as may be required by the Company in its discretion in order to comply with the relevant FATCA obligations;
- divulge any such personal information to any tax or regulatory authority, as may be required by law or such authority; and
- divulge any such personal information to any immediate payer of certain U.S. source income as may be required for reporting to occur with respect to the payment of such income.

An infringement of the obligations derived from the AEOI Law may generate sanctions at the level of the Reporting Financial Institution, ranging from EUR 1,500 to 0.5% of the amount object of the reporting. Prospective holders of the Company Shares are advised to seek their own professional advice in relation to OECD CRS on exchange of information.

DAC6

On 25 May 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation) that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning ("**DAC6**"). DAC6 has been implemented in Luxembourg by the law of 25 March 2020 (the "**DAC6 Law**").

More specifically, the reporting obligation will apply to cross-border arrangements that, among others, meet one or more "hallmarks" provided for in the DAC6 Law that is coupled in certain cases, with the main benefit test (the "**Reportable Arrangements**").

In the case of a Reportable Arrangement, the information that must be reported includes *inter-alia* the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any member states likely to be concerned by the Reportable Arrangement.

The reporting obligation in principle rests with the persons that design, market or organise the Reportable Arrangement or provide assistance or advice in relation thereto (the so-called "intermediaries"). However, in certain cases, the taxpayer him/her/it-self can be subject to the reporting obligation.

Intermediaries (or the case maybe, the taxpayer) may be required to report a Reportable Arrangement from 30 January 2021.

The information reported will be automatically exchanged between the tax authorities of all Member States.

In light of the broad scope of the DAC6 Law, transactions carried out by the Company may fall within the scope of the DAC6 Law and thus be reportable.

Taxation of the Company in Luxembourg

The below summary is based on the current law and practice applicable in Luxembourg and is subject to changes therein.

Subscription tax

The Company is, in principle, liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Company at the end of the relevant calendar quarter.

This rate is reduced to 0.01% per annum for:

- undertakings whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions;
- undertakings whose sole object is the collective investment in deposits with credit institutions; and
- individual sub-funds of UCIs with multiple sub-funds as well as for individual classes of securities issued within a UCI or within a sub-fund of a UCI with multiple sub-funds, provided that the securities of such sub-funds or classes are reserved to one or more Institutional Investors.

As from 1 January 2021, the Company or its individual Funds, may benefit from reduced subscription tax rates depending on the value of the relevant Fund's net assets invested in economic activities that qualify as environmentally sustainable within the meaning of Article 3 of the Taxonomy Regulation (the "Qualifying Activities"), except for the proportion of net assets of the Company or its individual Funds invested in fossil gas and/or nuclear energy related activities. The reduced subscription tax rates would be of:

- 0.04% if at least 5% of the total net assets of the Company, or of its individual Funds, are invested in Qualifying Activities;
- 0.03% if at least 20% of the total net assets of the Company, or of its individual Funds, are invested in Qualifying Activities;
- 0.02% if at least 35% of the total net assets of the Company, or of its individual Funds, are invested in - Qualifying Activities; and
- 0.01% if at least 50% of the total net assets of the Company, or of its individual Funds, are invested in Qualifying Activities.

The subscription tax rates mentioned above would only apply to the net assets invested in Qualifying Activities.

In addition, exemptions are available from the subscription tax where:

- the value of the assets represented by units held in other UCIs, provided such units have already been subject to the subscription tax;
- UCIs reserved for Institutional Investors which are authorised as short-term money market funds in accordance with Regulation (EU) 2017/1131 and that have obtained the highest possible rating from a recognised rating

- agency;
- UCIs whose securities are reserved for retirement pension schemes;
- UCIs whose main objective is the investment in microfinance institutions;
- UCIs which securities are listed or traded and whose exclusive object is to replicate the performance of one or more indices;
- UCIs that are authorised as European long-term investment funds within the meaning of Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds.

Withholding tax

Under current Luxembourg tax law there is no withholding tax on any distribution made by the Company to the Shareholders.

Interest and dividend income received by the Company may be subject to withholding tax in the countries where investments are held. The Company may be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin, and provisions in this respect may be recognised in certain jurisdictions.

Income tax

The Company is exempt from Luxembourg income, profit or gains tax.

Net wealth tax

The Company is exempt from Luxembourg net wealth tax.

Other taxes

No stamp duty is generally payable in Luxembourg in connection with the issue of Shares against liquid assets by the Company.

Taxation of the Shareholders in Luxembourg

A Shareholder will not become tax resident, nor be deemed to be tax resident, in Luxembourg by reason only of the holding and/or disposing of the Shares or the execution, performance or enforcement of their rights hereunder.

Under current Luxembourg tax law, Shareholders are not subject to any capital gains, income, inheritance or other taxes in Luxembourg except for Shareholders domiciled, resident or having a permanent establishment in Luxembourg, in relation to their participation in the Company.

A non-resident Shareholder will be taxed on the income received from the Company in their home jurisdiction according to the rules applying in their specific jurisdictions.

General

It is expected that Shareholders in the Company will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarise the taxation consequences for every investor of subscribing, switching, holding or redeeming or otherwise acquiring or disposing of Shares in the Company. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile and/or incorporation and with his personal circumstances.

Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing, holding, switching, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile and/or incorporation.

Other general information for investors

Shareholder meetings and reports to Shareholders

Notice of any general meeting of Shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Fund) shall be mailed to each Shareholder at least eight (8) days prior to the meeting and/or shall be published to the extent and in the manner required by Luxembourg law as shall be determined by the Directors. All Shareholders have the same rights in respect of their Shares, regardless of the Class of Shares held. Each Share is entitled to one vote at any general meeting of Shareholders. There are no preferential or pre-emptive rights attributable to the Shares.

The Articles permit the Company to issue fractional Shares. Such fractional Shares shall not be entitled to vote, unless the number that such fractional Shares represent is an entire Share (in which case they together confer a voting right, as outline above).

If the Articles are amended, such amendments shall be filed with the Luxembourg Trade and Companies' Register and published in the RESA (*Recueil Electronique des Sociétés et Associations*).

Detailed reports including the audited financial statements of the Company on its activities and on the management of its assets are published annually; such reports shall include, *inter alia*, the combined accounts relating to all the Funds, a detailed description of the assets of each Fund and a report from the Auditor.

The half-yearly reports including the unaudited financial statements of the Company on its activities are also published including, *inter alia*, a description of the investments underlying the portfolio of each Fund and the number of Shares issued and redeemed since the last publication.

The Company's financial statements will be prepared in accordance with generally accepted accounting principles in Luxembourg.

The aforementioned documents will be at the disposal of the Shareholders within four (4) months for the annual reports and two (2) months for the half-yearly reports of the date thereof at the registered office of the Company. Upon request, these reports will be sent free of charge to any Shareholder and copies may be obtained free of charge by any person at the registered office of the Company and will also be available on the [M&G website](#).

The annual accounting period of the Company commences on 1 April of each year and ends on 31 March of each year. The Company will publish an annual report as of Accounting Date and a half-yearly report drawn up as of Interim Accounting Date in each year.

The annual general meeting shall be held in accordance with Luxembourg law at the Registered Office of the Company or at a place specified in the notice of meeting each year.

The Shareholders of any Class or Fund may hold, at any time, general meetings to decide on any matters that relate exclusively to such Class or Fund.

The combined financial statements of the Company are maintained in Euro being the Base Currency of the Company. The financial statements relating to the separate Funds shall also be expressed in the Reference Currency of the relevant Fund.

Dissolution and liquidation of the Company

The Company may be dissolved at any time by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements applicable for amendments to the Articles.

Whenever the share capital falls below two-thirds of the minimum capital indicated in the Articles, the question of the dissolution of the Company shall be referred to a general meeting of Shareholders by the Directors. The general meeting, for which no quorum shall be required, shall decide by simple majority of the Shares represented at the meeting.

The question of the dissolution of the Company shall also be referred to a general meeting of Shareholders whenever the share capital falls below one quarter of the minimum capital set by the Articles; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by Shareholders holding one quarter of the Shares represented at the meeting.

The meeting must be convened so that it is held within a period of forty (40) days from the date that the net assets have fallen below two-thirds or one quarter of the legal minimum, as the case may be.

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities, duly approved by the CSSF and appointed by the general meeting of Shareholders that shall determine their powers and their compensation.

The net proceeds of liquidation of each Fund shall be distributed by the liquidators to the holders of Shares of each Class of the relevant Fund in proportion to their holding of such Class.

Should the Company be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of Luxembourg law. Such law specifies the steps to be taken to enable Shareholders to participate in the distribution of the liquidation proceeds and provides for a deposit in escrow at the "*Caisse de Consignations*" at the time of the close of liquidation. Amounts not claimed from escrow within the statute of limitation period shall be liable to be forfeited in accordance with the provisions of Luxembourg law.

Closure of Funds and Classes

Closure decided by the Directors

In the event:

- that for any reason the value of the total net assets in any Class or Fund has not reached or has decreased to an amount determined by the Directors to be the minimum level for such Class or Fund to be operated in an economically efficient manner; and/or
- of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalisation; and/or
- that the Directors otherwise consider the closure of the Fund and/or a Class to be in the best interests of the Shareholders,

the Directors may decide to redeem all the Shares of the relevant Class or Fund at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses) determined as of the Valuation Day at which such decision shall take effect and therefore close the relevant Fund.

The Company shall serve a written notice to the Shareholders of the relevant Class or Fund prior to the effective date for the compulsory redemption. This notice will indicate the reasons and the procedure for the redemption operations.

Unless it is otherwise decided in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Class or the Fund concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the effective date of the compulsory redemption.

Closure decided by the Shareholders

Notwithstanding the powers conferred to the Directors as described in the previous paragraph, the Shareholders of any Class or Fund acting at a general meeting of the Shareholders of such Class or Fund may, upon a proposal from the Directors, require the redemption of all the Shares of the relevant Class or Fund and the refunding to the relevant Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated as of the Valuation Day at which such decision shall take effect.

There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

Consequences of the closure

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

The liquidation of the last remaining Fund of the Company will result in the liquidation of the entire Company.

Mergers and divisions

Mergers

In the event:

- that for any reason the value of the total net assets of the Company or in any Fund has not reached or has decreased to an amount determined by the Directors to be the minimum level for the Company or such Fund to be operated in an economically efficient manner; and/or
- of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalisation; and/or
- that the Directors otherwise consider the closure of the Fund and/or a Class to be in the best interests of the Shareholders,

the Directors may decide to proceed with a merger (as defined by the UCI Law) of the assets of the Company or any Fund with those of (i) another existing Fund within the Company or another sub-fund of another Luxembourg or foreign UCITS (the "new sub-fund") or of (ii) another Luxembourg or foreign UCITS (the "new UCITS"), and to re-designate the Shares of the Company or the Fund concerned as Shares of the new UCITS or the new sub-fund, as applicable.

In case the Company or the Fund involved in a merger is the receiving UCITS (as defined by the UCI Law), the Directors will decide on the effective date of the merger it has initiated.

Such a merger shall be subject to the conditions and procedures imposed by the UCI Law, in particular concerning the merger project to be established by the Directors and the information to be provided to the Shareholders.

Notwithstanding the powers conferred to the Directors as described in the previous paragraph, a merger (within the meaning of the UCI Law) of the assets and of the liabilities attributable to any Fund with another Fund within the Company may be decided upon by a general meeting of the Shareholders of the Fund concerned for which there shall be no quorum requirements and which will decide upon such a merger by resolutions taken by simple majority vote of the Shareholders validly cast. The general meeting of the Shareholders of the Fund concerned will decide on the effective date of such a merger it has initiated within the Company, by resolution taken with no quorum requirement and adopted at a simple majority of the Shares present or represented at such meeting.

The Shareholders may also decide a merger (within the meaning of the UCI Law) of the assets and of the liabilities attributable to the Company or any Fund with the assets of any new UCITS or new sub-fund within another UCITS. Such a merger and the decision on the effective date of such a merger shall require resolutions of the shareholders of the Company or Fund concerned taken with a 50% quorum requirement of the Shares in issue and adopted by a 2/3 majority of the Shares present or represented at such meeting, except when such a merger is to be implemented with a *fonds*

commun de placement, in which case resolutions shall be binding only on such Shareholders who have voted in favour of such merger. If the merger is to be implemented with a Luxembourg UCITS of the contractual type ("*fonds commun de placement*"), Shareholders who have not voted in favour of such merger will be considered as having requested the redemption of their Shares, except if they have given written instructions to the contrary to the Company. The assets which may not or are unable to be distributed to such Shareholders for whatever reason will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

Where the Company (or any of the Funds, as the case may be) is the absorbed entity, which thus ceases to exist, irrespective of whether the merger is initiated by the Directors or by the shareholders, the general meeting of Shareholders of the Company (or of the relevant Fund, as the case may be) must decide the effective date of the merger. Such general meeting is subject to a quorum requirement of 50% of the Shares in issue and to a 2/3 majority vote of the Shareholders present or represented.

Notwithstanding the powers conferred to the Directors as described in the previous paragraph, the general meeting of Shareholders of any Share Class may, upon a proposal from the Directors, decide to reorganise Share Classes by changing their characteristics, so as to merge one or more Share Classes with one or more other Share Classes of the same Fund. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

Divisions

In the event:

- that the Directors determine that the division of a Fund is in the best interests of the Shareholders of the relevant Fund; and/or
- a change in the political, economic or monetary situation relating to the relevant Fund,

that Fund may be reorganised, by means of a division into two or more Funds.

The Company shall give notice to the Shareholders of the relevant Fund one month prior to the date on which such division is to become effective, which will indicate the reasons for and the procedure of such division.

Subject to the discretion of the Directors (acting in the best interests of the Shareholders) to determine otherwise, the Shareholders of the relevant Fund will be entitled to request the redemption or switch of their Shares without the payment of any applicable redemption charge (but taking into account actual redemption prices of investments and realisation expenses) prior to the effective date of the division.

Notwithstanding the powers conferred to the Directors as described in the previous paragraph, the general meeting of Shareholders of any Fund may, upon a proposal from the Directors, approve the division of the relevant Fund into two or more Funds. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

In the same circumstances as described above for a merger, the Directors are entitled to reorganise Share Classes by changing their characteristics, so as to divide a Share Class into two or more different Share Classes of the same Fund. The Company shall give notice to the Shareholders of the relevant Share Class or Classes one month prior to the date on which such reorganisation is to become effective, which will indicate the reasons for and the procedure of such reorganisation. Subject to the discretion of the Directors (acting in the best interests of the Shareholders) to determine otherwise, the Shareholders of the relevant Share Class or Classes will be entitled to request redemption or conversion of their Shares without the payment of any applicable redemption charge (but taking into account actual redemption prices of investments and realisation expenses) prior to the effective date of the reorganisation.

Notwithstanding the powers conferred to the Directors as described in the previous paragraph, the general meeting of Shareholders of any Share Class may, upon a proposal from the Directors, decide to reorganise Share Classes by changing their characteristics, so as to divide a Share Class into two or more different Share Classes of the same Fund. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

Indemnity

The Articles provide that every Director, agent, auditor, or officer of the Company and his personal representatives shall be indemnified and secured harmless out of the assets of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by him in or about the conduct of the Company business or affairs or in the execution or discharge of his duties, powers, authorities or discretions, including actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning the Company in any court whether in Luxembourg or elsewhere.

No such person shall be liable:

- For the acts, receipts, neglects, defaults or omissions of any other such person; or
- By reason of his having joined in any receipt for money not received by him personally; or
- For any loss on account of defect of title to any property of the Company; or
- On account of the insufficiency of any security in or upon which any money of the Company shall be invested; or
- For any loss incurred through any bank, broker or other agent; or
- For any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of his office or in relation thereto, unless the same shall happen through his own gross negligence, wilful misconduct or fraud against the Company.

Charge and security over the assets

In connection with its obligations towards third parties, the Company has created a charge over the assets attributable to a particular Fund and may grant other security. In the event of a default by a Fund to fulfil its obligations under such arrangements, the counterparty may seek to satisfy the payment owed to it and enforce its security by taking possession and/or disposing of the assets on which the security has been granted to the counterparty, according to applicable laws and regulations.

Access to documents

Copies of the following documents may be obtained free of charge during usual business hours on any full bank business day in Luxembourg at the registered office of the Company:

- Articles and any amendments thereto
- Latest Prospectus and KIDs
- Latest reports and financial statements referred to under the heading "Shareholder meetings and reports to Shareholders" once published

The agreements referred to above may be amended by mutual consent between the parties thereto.

Publication of Notices

Any relevant notifications or other communications to Shareholders concerning their investments in a Fund may be published on the website <https://www.mandg.com/investments/hub>, unless otherwise provided for in the Law of 10 August 1915 on commercial companies, as amended, or in the Company's Articles (including convening notices to shareholder meetings). Shareholders are therefore invited to regularly consult this website.

In addition to the publication of any notices on the website, Shareholders will continue to also be notified in writing or in such other manner as prescribed by Luxembourg Law.

Conflicts of interests

The Directors, the Management Company, the Investment Manager, the Depositary, the Registrar and Transfer Agent and the Administrator and/or their respective affiliates or any person connected with them (together the "Relevant Parties") may from time to time act as directors, management company, investment manager, distributor, trustee, custodian, depositary, registrar, broker, administrator, investment adviser or dealer in relation to, or be otherwise involved in, other investment funds which have similar or different objectives to those of the Funds or which may invest in the Funds. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Funds. The relevant Parties have adopted policies and procedures reasonably designed to prevent, limit or mitigate conflicts of interest. In addition, these policies and procedures are designed to comply with applicable law where the activities that give rise to conflicts of interest are limited or prohibited by law, unless an exception is available. The Directors and each of the Relevant Parties will, at all times, have regard in such event to its obligations to the Funds and will endeavour to ensure that such conflicts are resolved fairly.

In addition, subject to applicable law, any Relevant Party may deal, as principal or agent, with the Funds, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. Any Relevant Party may deal with the Company as principal or as agent, provided that it complies with applicable law and regulation and the provisions of the Investment Management Agreement, the Management Agreement, the Administration Agreement, the Depositary Agreement and the Registrar and Transfer Agency Agreement, to the extent applicable.

The Investment Manager or any of its affiliates or any person connected with the Investment Manager may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Funds. Neither the Investment Manager nor any of its affiliates nor any person connected with the Investment Manager is under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of (or share with the Funds or inform the Company of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Company and other clients.

Where applicable, the prospect of a Performance Fee may be considered to create an incentive which may lead the Investment Manager to make investments that are riskier than would otherwise be the case and increase the risk profile of the relevant Fund.

The Depositary may from time to time, act as the depositary of other open-ended investment companies. Further information regarding the Depositary's conflict of interest arrangements are summarized in this Prospectus under the heading "The Depositary". The Depositary will provide, from time to time, a description of the conflicts of interest that may arise in respect of its duties. Moreover, if the Depositary delegates the whole or part of its safekeeping functions to a sub-custodian, it will provide, from time to time, a list of any conflicts of interest that may arise from such a delegation.

In calculating a Fund's Net Asset Value, the Administrator may consult with the Investment Manager with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Investment Manager or any sub-investment manager in determining the Net Asset Value of a Fund and the entitlement of the Investment Manager or any sub-investment manager to a management fee which is calculated on the basis of the Net Asset Value of the Fund.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Fund.

The Directors will seek to ensure that any conflict of interest of which they are aware is resolved fairly.

Co-management and pooling

To ensure effective management of the Company the Directors may decide to manage all or part of the assets of one or more Funds with those of other Funds in the Company (so-called "pooling") or, where applicable, to co-manage all or part of the assets (except for a cash reserve) of one or more Funds with the assets of other Luxembourg investment funds or of one or more funds of other Luxembourg investment funds (hereinafter referred to as the "Party(ies) to the

co-managed assets") for which the Company's Depositary is the appointed depositary. These assets will be managed in accordance with the respective investment policies of the Parties to the co-managed assets, each of which is pursuing identical or comparable objectives. Parties to the co-managed assets will only participate in co-managed assets which are in accordance with the stipulations of their respective prospectuses and investment restrictions.

Each Party to the co-managed assets will participate in the co-managed assets in proportion to the assets it has contributed to the co-management. Assets will be allocated to each Party to the co-managed assets in proportion to its contribution to the co-managed assets. Each Party's rights to the co-managed assets apply to each line of investment in the said co-managed assets. The aforementioned co-managed assets will be formed by the transfer of cash or, where applicable, other assets from each of the Parties participating in the co-managed assets. Thereafter, the Directors may regularly make subsequent transfers to the co-managed assets. The assets can also be transferred back to a Party to the co-managed assets for an amount not exceeding the participation of the said Party to the co-managed assets. Dividends, interest and other distributions deriving from income generated by the co-managed assets will accrue to each Party to the co-managed assets in proportion to its respective investment. Such income may be kept by the Party to the co-managed assets or reinvested in the co-managed assets. All charges and expenses incurred in respect of the co-managed assets will be applied to these assets. Such charges and expenses will be allocated to each Party to the co-managed assets in proportion to its respective entitlement to the co-managed assets.

In the case of an infringement of the investment restrictions affecting a Fund of the Company, when such a Fund takes part in co-management and even if the Investment Manager has complied with the investment restrictions applicable to the co-managed assets in question, the Investment Manager shall reduce the investment in question in proportion to the participation of the Fund concerned in the co-managed assets or, where applicable, reduce its participation in the co-managed assets to a level that respects the investment restrictions of the Fund.

When the Company is liquidated or when the Directors of the Company decide to withdraw the participation of the Company or a Fund of the Company from co-managed assets, the co-managed assets will be allocated to the Parties to the co-managed assets in proportion to their respective participation in the co-managed assets.

The investor must be aware of the fact that such co-managed assets are employed solely to ensure effective management in as much as all Parties to the co-managed assets have the same custodian bank. Co-managed assets are not distinct legal entities and are not directly accessible to investors. However, the portion of assets and liabilities attributable to each Fund of the Company will be constantly identifiable.

Benchmark Regulation and use of benchmarks

The Benchmark Regulation requires the Management Company to produce and maintain robust written plans setting out the actions that it would take in the event that a benchmark (as defined by the Benchmark Regulation) materially changes or ceases to be provided.

The Management Company must comply with this obligation. Further information on the plan is available on request and free of charge from the Management Company's registered office.

M&G (Lux) Episode Macro Fund

The following benchmarks are used in the performance fee calculation for the M&G (Lux) Episode Macro Fund.

Applicable Share Classes	Performance Comparator / Performance Fee Hurdle Rate	Benchmark Administrator
USD	SOFR	Federal Reserve Bank of New York
CHF / CHF Hedged	SARON	SIX Financial Information AG
EUR / EUR Hedged	ESTR	European Central Bank
GBP / GBP Hedged	SONIA	Bank of England
JPY / JPY Hedged	TONA	Bank of Japan
SGD / SGD Hedged	SORA	Monetary Authority of Singapore

The administrators of SOFR, ESTR, SONIA, TONA and SORA are central banks which are exempt from EU Benchmark Regulation.

SARON is a third country benchmark which has been endorsed under article 33 of the EU Benchmark Regulation and included in the ESMA register of benchmarks.

Policies

The Management Company will make the following additional information available at its registered office upon request in accordance with Luxembourg laws and regulations:

- The procedure relating to complaints handling
- The strategy followed for the exercise of voting rights of the Company
- The best execution policy
- The procedure for the giving and receiving of inducements.

Risk factors

The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Different risks may apply to different Funds.

Investors should read this Prospectus and the relevant Fund Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares.

Investors should consider, among others, the following risk factors before subscribing for Shares.

General risks

Investors should be aware that there are risks inherent in the holding of securities.

Business risk

There can be no assurance that the Company will achieve its investment objective in respect of any of the Funds. The investment results of the Fund are reliant upon the success of the Investment Manager. There is no guarantee that the investment decisions made by the Investment Manager or any investment processes or models used will produce the expected results.

Initial charge risk

Where an initial charge is imposed, an investor who realises his Shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

The Shares therefore should be viewed as medium to long-term investments.

Depository – Segregation, sub-custodians and insolvency risk

Where securities are held with a sub-custodian or by a securities depository or clearing system, such securities may be held by such entities in client omnibus accounts and in the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the Company may have to share that shortfall on a pro-rata basis. Securities may be deposited with clearing brokers which the Depository is not obliged to appoint as its sub-custodians and in respect of the acts or defaults of which the Depository shall have no liability. There may be circumstances where the Depository is relieved from liability for the acts or defaults of its appointed sub-custodians provided that the Depository has complied with its duties.

The Company is at risk of the Depository or a sub-custodian entering into an insolvency procedure. During such a procedure (which may last many years) the use by the Company of assets held by or on behalf of the Depository or the relevant sub-custodian, as the case may be, may be restricted and accordingly (a) the ability of the Investment Manager to fulfil the investment objective of each Fund may be severely constrained, (b) the Funds may be required to suspend the calculation of the Net Asset Value and as a result subscriptions for and redemptions of Shares, and/or (c) the Net Asset Value may be otherwise affected. During such a procedure, the Company is likely to be an unsecured creditor in relation to certain assets and accordingly the Company may be unable to recover such assets from the insolvent estate of the Depository or the relevant sub-custodian, as the case may be, in full, or at all.

Market crisis and governmental intervention risk

The global financial markets are currently undergoing pervasive and fundamental disruptions which have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis without much or any notice with the consequence that some market participants' ability to

continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and/or substantially eliminated. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies.

It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Investment Manager's ability to fulfil a Fund's investment objective. However, there is a high likelihood of significantly increased regulation of the global financial markets, and such increased regulation could be materially detrimental to the performance of a Fund's portfolio.

FATCA and compliance with US Withholding Tax requirements risk

Provisions under the US HIRE Act, known as FATCA, generally will impose a 30% withholding tax on (a) certain US source payments (including interest and dividends) after 31 December 2013, (b) gross proceeds from the disposition of US equity or debt investments realised after 31 December 2016 and (c) starting no earlier than 1 January 2017, certain payments made by certain foreign entities to the extent the payments are treated as attributable to withholdable payments, unless the Company enters into an FFI agreement (as defined under "Taxation – United States of America") with the IRS. Luxembourg has entered into an IGA (as defined under "Taxation – United States of America") relating to FATCA with the United States. It is the intention of the Directors to comply with FATCA pursuant to the IGA. To comply, the Company will be required to, amongst other things, report on an annual basis information relating to the identity of certain investors (generally investors who are US taxpayers or who are owned by US taxpayers) and details relating to their holdings to the Luxembourg tax authorities.

A Shareholder that fails to provide promptly on request the required information to the Company (or, in the case of a Shareholder that is a "foreign financial institution" for purposes of FATCA, fails to itself enter into an FFI agreement with the IRS or otherwise comply with an applicable IGA) generally will be subject to the 30% withholding tax with respect to its share of any such payments directly or indirectly attributable to US investments of the Funds.

Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. In circumstances where a Shareholder is identified as a person from whom information must be received or who is otherwise covered by FATCA, the at their discretion may choose to redeem such Shareholder's interest in any of the Funds or require such Shareholder to transfer such interest to a person not subject to FATCA and who is permitted in all other respects by the terms of the Prospectus to be an eligible Shareholder. If the Company becomes subject to a withholding tax as a result of the US HIRE Act, the return of all Shareholders may be materially affected.

Hedging risk

Hedging transactions may be entered into using futures, forwards or other exchange-traded or OTC Derivatives or by the purchasing of securities in order to hedge the Fund's exposure to foreign exchange risk ("Hedging Transactions"). The Investment Manager may, as far as is reasonably practicable, seek to hedge out foreign currency exposure at Fund level by entering into forward foreign exchange transactions or other methods of reducing exposure to currency fluctuations.

If undertaken, portfolio hedging aims to reduce the Fund's level of risk or hedge the currency exposure to the currency of denomination of some or all of the securities held by the Fund. Any currency hedging undertaken at portfolio level may not fully hedge currency exposure and will not fully mitigate currency risk. Hedging Transactions, while potentially reducing the risk of currency and inflation exposure which a Fund or a Class of Shares may otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty, as described under the risk factor headed "Derivatives - Counterparty" below.

Prospective investors should note that there can be no assurance that any hedges which are in place from time to time will be effective.

Risk to capital & income will vary

The investments of the Fund are subject to normal market fluctuations and other risks inherent in investing in shares, bonds and other stock market related assets. These fluctuations may be more extreme in periods of market disruption and other exceptional events.

There can be no assurance that any appreciation in value of investments will occur or that the investment objective will actually be achieved.

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. Past performance is not a guide to future performance.

Counterparty risk

On a day-to-day basis a Fund may trade with market participants in order to build assets which will give rise to short term counterparty risk. Additionally, a Fund may invest its assets in overnight deposits of credit institutions, money market funds, treasuries or other near-cash securities. Such liquid assets may be held for longer periods where, due to market circumstances, the Management Company believes that it is in the Fund's best interest to do so. A Fund which trades in OTC derivatives will have exposure to its counterparty. It may not always be possible for a Fund to divide its OTC derivative transactions among a wide variety of counterparties and the inability to trade with any one counterparty could cause significant losses. While exchange-traded derivatives are generally considered lower-risk than OTC derivatives, there is still the risk that a suspension of trading in derivatives or in their underlying assets could make it impossible for a Fund to realise gains or avoid losses, which in turn could cause a delay in handling redemptions of Shares. There is also a risk that settlement of exchange-traded derivatives through a transfer system might not happen when or as expected.

Counterparty credit risk is managed within an approved framework established by M&G Investment Performance and Risk Committee within the Investment Manager and reviewed annually. A thorough due diligence of counterparts is undertaken by specialist Risk professionals prior to commencement of business and this is subject to review at least once a year to ensure both their financial standing and that trading limits remain fit for purpose. Trading limits are established on the basis of the overall creditworthiness of the counterpart and the nature of the business activity which is being undertaken and these exposures are monitored against these limits on a daily basis. Additionally, the team will monitor news flow and rating agency releases on rating changes as part of its oversight activities and will adjust limits to counterparties should the Investment Manager's Credit Risk team assess that the creditworthiness of the counterparty is materially altered.

Should a Fund trade OTC derivatives (which includes forward foreign exchange) it must do so with approved OTC counterparties with appropriate legal documentation in place, namely International Swaps and Derivatives Association ("ISDA") agreements. The ISDA agreement also contains a Credit Support Annex ("CSA"). If a Fund is subject to the EMIR clearing requirements and the counterparty is also acting as the clearing broker a Clearing Addendum must also be appended to the ISDA. Also, in the case of cleared OTC a separate Cleared Derivatives Execution Agreement (the "CDEA") is also required. These legal documents ensure segregation of liabilities in the event of a default and define the appropriate collateral and acceptable haircuts with each counterparty, clearing broker, clearing house and the Company. Additional key controls for both bi-lateral and cleared OTC include; daily valuation of positions, daily collateralisation, zero thresholds and netting. Owing to the settlement cycle of collateral the Company may have a mixture of collateralised and uncollateralised risk. Where a Fund is using exchange traded derivatives daily initial and variation margin applies as per the exchange's requirements. Any excess margin held by the clearing broker on behalf of a Fund is considered as counterparty risk to that broker. Valuation is undertaken by specialist risk personnel and collateral is managed independently by a dedicated back office department.

Liquidity risk

A Fund's investments may be subject to liquidity constraints which means that securities may trade infrequently and in small volumes. Normally liquid securities may also be subject to periods of significantly lower liquidity in difficult market conditions. As a result, changes in the value of investments may be more unpredictable and in certain cases, it may be difficult to deal a security at the last market price quoted or at a value considered to be fair.

Liquidity is a term used to refer to how easily and in a timely manner an asset or security can be bought or sold in the market, and converted to cash.

Liquidity risk is the risk that a position in a Fund's portfolio cannot be sold, liquidated or closed at limited cost in an adequately short time frame and that the ability of a Fund to redeem its Shares within the allowable time at the request of any Shareholder is thereby compromised.

Market liquidity issues can be generated by various factors such as adverse economic or market conditions or political events, or adverse investor perceptions whether or not accurate, and may result during certain periods in:

- a sudden change in the perceived value or credit worthiness of the issuer of a security, the security itself or of the counterparty to a position or of the position itself;
- a lack of investors willing to buy in a bear market, large price movements, or widening bid-ask;
- the suspension or restriction of trading in particular securities or other instruments by the relevant stock exchange, government or supervisory authority; and/or
- unusually high volume of redemption requests.

Securities that may be less liquid (such as below investment grade and unrated debt securities, small and mid-capitalisation stocks and emerging market securities) involve greater risk than securities with more liquid markets. Market quotations for such securities may be volatile and/or subject to large spreads between bid and asked prices as traders look for a protection from the risk of being not able to dispose of the security or to liquidate the position they enter into.

Reduced liquidity due to these factors may have an adverse impact on the ability of a Fund to sell a portfolio position at a desired price or time and can:

- adversely affect the value of a Funds' which may be forced to sell investments at an unfavourable time and/or conditions without incurring a loss or may not be able to sell the investments at all;
- prevent a Fund from being able to meet redemption requests or liquidity needs; and/or
- prevent a Fund from being able to take advantage of other investment opportunities.

In some cases, the settlement of the redemption applications may therefore be significantly longer than the settlement cycles of other instruments which may lead to mismatches in the availabilities of the funds and should, therefore, be taken into account when planning the re-investment of the redemption proceeds.

Suspension of dealing in Shares risk

Investors are reminded that in exceptional circumstances their right to sell or redeem Shares may be temporarily suspended.

Cancellation risk

When cancellation rights are applicable and are exercised, the full amount invested may not be returned if the price falls before we are informed of your intention to cancel.

Inflation risk

A change in the rate of inflation will affect the real value of your investment.

Taxation risk

The current tax regime applicable to investors in collective investment schemes in their country of residence or domicile is not guaranteed and may be subject to change. Any changes may have a negative impact on returns received by investors.

A Fund may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by that Fund is incorporated, established or resident for tax purposes. The Funds rely extensively on tax treaties to reduce

domestic rates of withholding tax in countries where they invests. A risk exists that tax authorities in countries which the Funds invest into may change their position on the application of the relevant tax treaty. As a consequence, higher tax may be suffered on investments, (e.g. as a result of the imposition of withholding tax in that foreign jurisdiction). Accordingly, any such withholding tax may impinge upon the returns to the Fund and investors.

A Fund may also incur or bear transaction or other similar taxes in respect of the actual or notional amount of any acquisition, disposal or transaction relating to its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by that Fund or the counterparty to a transaction involving that Fund is incorporated, established or resident for tax purposes. Where a Fund invests in securities or enters into transactions that are not subject to withholding, capital gains, transaction or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The relevant Fund may not be able to recover such tax and so any change could have an adverse effect on the Net Asset Value of the Shares.

Where a Fund chooses or is required to pay taxation liabilities and/or account for reserves in respect of taxes that are or may be payable in respect of current or prior periods by that Fund or the Company (whether in accordance with current or future accounting standards), this would have an adverse effect on the Net Asset Value of the Shares in that Fund. This could cause benefits or detriments to certain Shareholders, depending on the timing of their entry to and exit from the relevant Fund.

Tax developments risk

The tax regulations which the Funds are subject to constantly change as a result of:

- Technical developments – changes in law regulations;
- Interpretative developments – changes in the way tax authorities apply law; and
- Market practice – whilst tax law is in place, there may be difficulties applying the law in practice (e.g. due to operational constraints).

Any changes to the tax regimes applicable to the Funds and investors in their country of residence or domicile may impact negatively on the returns received by investors.

Risk of taxable presence created by the Singapore sub-investment manager

This section is applicable to the Funds for which a Sub-Investment manager located in Singapore has been appointed/instructed by the Investment Manager to provide discretionary investment management services in respect of the relevant Fund portfolio, as per the list available on the [M&G website](#).

Singapore adopts a quasi-territorial system of taxation, whereby Singapore income tax is imposed on income accruing in or derived from Singapore and on foreign-sourced income received or construed to be received in Singapore. Where the investments and assets of a Fund are managed by an investment manager or a sub-investment manager in Singapore, the Fund may be construed to be having a permanent establishment (“PE”) in Singapore. The term PE is defined in the Singapore Income Tax Act 1947 to mean a fixed place of business where a business is wholly or partly carried on and includes a place of management. Further, a non-resident is deemed to have a PE in Singapore if it has another person acting on its behalf in Singapore who has and habitually exercises an authority to conclude contracts. Where the Company is deemed to have a PE in Singapore, the income derived by the Fund of the Company that is attributable to the Singapore PE will be considered income accruing in or derived from Singapore and will be subject to Singapore income tax.

To reduce/avoid this possibility, the Company intends to avail itself of the exemption under Section 13D of the Income Tax Act 1947 (“**Section 13D**”) of Singapore, as amended from time to time (the “**ITA**”) and the Income Tax (Exemption of Income of Prescribed Persons Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010, as amended from time to time in respect of the Funds managed by the Singapore sub-investment manager. In order to meet its obligations, the Company will seek to satisfy the relevant conditions. Required information shall be published on the M&G website. There can however be no guarantee, and no assurance is given, that all the conditions needed to qualify and be eligible for such exemption will be satisfied at all times.

Investors classified as “Non-Qualifying Relevant Owners” in accordance with Section 13D shall be required to declare and may be required to pay a financial penalty to the Inland Revenue Authority of Singapore (IRAS) in their income tax return. Prospective investors should consult their own professional advisers on the possible tax consequences.

Cyber event risk

Like other business enterprises, the use of the internet and other electronic media and technology exposes the Funds, its service providers, and their respective operations, to potential risks from cyber-security attacks or incidents (collectively, "cyber-events"). Cyber-events may include, for example, unauthorised access to systems, networks or devices (such as, for example, through "hacking" activity), infection from computer viruses or other malicious software code, and attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Any cyber-event could adversely impact a Fund and its Shareholders.

A cyber-event may cause a Fund, or its service providers to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions, calculate the Net Asset Value of a Fund or allow Shareholders to transact business) and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber-events also may result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support a Fund and its service providers. In addition, cyber-events affecting issuers in which a Fund invests could cause the Fund's investments to lose value.

Operational risk

The M&G Group, the Company and the Funds are exposed to operational risk, which is the risk of financial and non-financial impact resulting from inadequate or failed internal processes, personnel and systems errors, third party service provider errors or external events, and is present in all of its businesses. The M&G Group seeks to reduce these operational risks through controls and procedures and by implementing an operational risk framework in order to identify, assess, manage and report on the operational risks and associated controls including IT, data and outsourcing arrangements. However, operational risks are inherent in all activities and processes and exposure to such risk could disrupt M&G Group's systems and operations significantly, which may result in financial loss, regulatory censure, adverse investor outcomes and/or reputational damage.

Force majeure, including terrorism and pandemic risk

The Funds and relevant parties (i.e. the Company, the Management Company, the Investment Manager and its delegates, the rest of the M&G Group, the service providers and their delegates, and counterparties which the Company may do business with on behalf of the Funds) could be severely disrupted in the event of a major terrorist attack or the outbreak, continuation or expansion of war or other hostilities, or as result of governmental or regulatory actions in anticipation of the same.

Additionally, a serious pandemic, or a natural disaster, such as a hurricane or a super typhoon, or governmental or regulatory actions in anticipation or mitigation of the same, such as a lockdown or a typhoon warning, could severely disrupt the global economy and the operation of the Funds and relevant parties. Even where these events are local in initial effect, the interconnectedness of the financial markets could nonetheless cause disruption to the global economy or the operation of the Funds and relevant parties. In particular, the recent "novel coronavirus" (COVID-19) outbreak, which has affected various parts of the world, could have a material and adverse effect on the ability to accurately determine the prices of investments owned by the Funds, which might further result in inaccurate valuation of the Funds' assets. In the event of a serious pandemic or natural disaster, for safety and public policy reasons, relevant persons and entities involved in the operations of the Company may to the extent that they are affected by such pandemic or natural disaster or by such governmental or regulatory actions, be required to temporarily shut down their offices and to prohibit their respective employees from going to work. Any such closure could severely disrupt the services provided to the Company and materially and adversely affect the Funds' operation.

Sustainability risks

For the investments held in the Funds, the Investment Manager (or sub-investment manager where applicable) takes

into consideration sustainability risks when taking investment decisions. Sustainability risks are defined as Environmental, Social or Governance (ESG) factors that, if they occur, could cause an actual or a potential material negative impact on the value of an investment and/or returns from that asset. The Investment Manager identifies such sustainability risks and integrates them into its investment decision making and risk monitoring to the extent that they represent actual or potential material risks and/or opportunities to the long-term risk-adjusted returns of the Funds. This ESG integration takes place for all of the Funds.

In addition, for the Planet+ Funds with specific ESG objectives or characteristics, the Investment Manager also applies ESG Criteria, ESG Criteria and Sustainability Criteria, and ESG Criteria and/or Impact Criteria as necessary, with the aim to deliver the investment objective of each Fund as defined in the relevant Fund Supplements.

The impacts following the occurrence of a sustainability risk may be numerous and vary depending on the specific risk, asset class and region. The assessment of the likely impact of sustainability risks on a Fund's return will therefore depend on the type of securities held in its portfolio.

The following types of sustainability risks are likely to impact the return of a Fund:

- Environmental risks include, but are not limited to, the ability of companies to mitigate and adapt to climate change, the potential for higher carbon prices, exposure to increasing water scarcity and potential for higher water prices, waste management challenges, and impact on global and local ecosystems.
- Social risks include, but are not limited to, product safety, supply chain management and labour standards, health and safety and human rights, employee welfare, data & privacy concerns and increasing technological regulation.
- Governance risks include, but are not limited to, board composition and effectiveness, management incentives, management quality and stakeholder alignment.

These sustainability risks have been assessed as likely to have the following impacts on the returns from investments held by a Fund:

- Equity and equity-related instruments: sustainability risks may affect the price of a stock, result in the need to raise capital or impact the issuer's ability to pay a dividend.
- Fixed income securities: sustainability risks can affect the borrowers' cash flows and affect their ability to meet their debt obligations. Sustainability risks may also affect the credit quality or pricing of sovereigns and other government related issuers, and/or the value of currencies, through their impact on tax revenues, trade balance or foreign investment. Failure to effectively manage these risks can lead to deterioration in financial outcomes as well as a negative impact on society and the environment. For corporate and government issuers alike failure to manage sustainability risks can result in deterioration in the credit rating or pricing.
- Other financial investments or exposures such as cash, near cash, money market instruments, foreign exchange rates and interest rates: Sustainability risks impacting sovereigns and other government related issuers, and corporate issuers of money market instruments and near cash are similar to those affecting fixed income securities in terms of credit quality, pricing and/or the value of currencies. The placement of cash with counterparties and the receipt of collateral is also subject to sustainability risks which may impact the ability of the counterparty to meet its obligations, its capacity to offer cash placement and the value of collateral received. Sustainability risks impacting sovereigns or markets for which sovereigns consider themselves responsible may also affect foreign exchange rates and interest rates for currencies associated with such sovereign.
- Derivatives: the factors described above can also affect the performance of a derivative, as derivative contracts are typically expressed by reference to one of the assets above as their "underlying exposure". Such underlying exposure may be impacted by the sustainability risks described above that may impact the cash flows of the derivative transaction. The counterparties to derivatives may also be subject to sustainability risks which may impact the ability of the counterparty to meet its obligations of the underlying contract, which is usually reflected through its credit rating. The Investment Manager uses a number of third party data providers such as credit rating agencies to identify sustainability risks and the potential impact on counterparties. Information on sustainability risks revealed by this research is incorporated in the Investment Manager's credit analysis and investment decisions process.
- Collective investment schemes: the factors described above can also affect the performance of a collective investment scheme providing exposure to such asset class. In addition, sustainability risks may impact the manufacturer of the collective investment scheme, reducing its ability to perform its obligations for such financial product.

ESG data risk

ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Investment Manager (or sub-investment manager where applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the portfolio of a Fund. Incomplete, inaccurate or unavailable ESG data may also act as a methodological limitation to a non-financial investment strategy (such as the application of ESG Criteria or similar). Where identified, the Investment Manager (or sub-investment manager where applicable) will seek to mitigate this risk through its own assessment.

Investments exclusion risk

The investment policy for a Fund may exclude potential investments where they do not meet certain criteria (e.g. financial criteria such as minimum credit ratings, or non-financial criteria such as ESG screens). This may cause the Fund to perform differently compared to similar funds that are permitted to invest in those investments.

Fund specific risks

Investors should read the relevant Fund Supplement for reference to specific risks associated with each particular Fund.

Currency & exchange rate risk

Currency exchange rate fluctuations will impact the value of a Fund which holds currencies or assets denominated in currencies that differ from the valuation currency of the Fund.

Interest rate risk

Interest rate fluctuations will affect the capital and income value of investments within Funds that invest substantially in fixed income investments. This effect will be more apparent if the Fund holds a significant proportion of its portfolio in long dated securities.

Credit risk

The value of the Fund will fall in the event of the default or perceived increased credit risk of an issuer. This is because the capital and income value and liquidity of the investment is likely to decrease. Debt securities, such as AAA rated government and corporate bonds or investment grade bonds (rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's), have a relatively low risk of default compared to below investment grade bonds (rated lower than BBB- by Standard & Poor's or Fitch or lower than Baa3 by Moody's).

However, credit ratings are subject to change and may be downgraded. The lower the rating, the higher the risk of default. The risk associated with unrated bonds is similar to the risk associated to a rated debt security with similar features.

Zero or negative yield risk

The costs of using derivative instruments to implement a short position within a Fund, for example short positions in currency or government bonds, may result in a zero or negative yield on the portfolio. In such circumstances the Fund may not make any distributions and any shortfall will be met from capital.

Emerging markets risk

The Funds may invest in emerging market debt securities, foreign exchange instruments and equities which may lead to additional risks being encountered when compared with investments in developed markets.

Securities markets in emerging market countries are generally not as large or as efficient as those in more developed economies and have substantially less dealing volume which can result in lack of liquidity. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighbouring exchange.

Accordingly, where a Fund invests substantially in securities listed or traded in such markets, its Net Asset Value may be more volatile than a fund that invests in the securities of companies in developed countries. Further, custodians may not be able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Company will not be recognised as the owner of securities held on its behalf by a sub-custodian.

Substantial limitations may exist in certain countries with respect to repatriation of investment income or capital or the proceeds of sale of securities to foreign investors or by restriction on investment, all of which could adversely affect the Fund.

Many emerging markets do not have well developed regulatory systems and disclosure standards. In addition, accounting, auditing and financial reporting standards, and other regulatory practices and disclosure requirements (in terms of the nature, quality and timeliness of information disclosed to investors) applicable to companies in emerging markets are often less rigorous than in developed markets. Accordingly, investment opportunities may be more difficult to properly assess. Some emerging markets securities may be subject to brokerage or stock transfer taxes levied by governments, which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of sale.

Adverse market and political conditions arising in a specific emerging market country may spread to other countries within the region.

Political risks and adverse economic circumstances (including the risk of expropriation and nationalisation) are more likely to arise in these markets, putting the value of the investment at risk.

These factors may lead to temporary suspension of dealing units in the Fund.

Russian Invasion of Ukraine

On February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date of this material, the countries remain in active armed conflict. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which the Funds invest), and therefore could adversely affect the performance of certain Funds' investments. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, could present material uncertainty and risk with respect to certain Funds and the performance of their investments and operations, and the ability of certain Funds to achieve their investment objectives. Similar risks will exist to the extent that any underlying investments, service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas.

Specific asset class, region, country or sector risk

Funds investing in specific countries, regions, sectors or asset classes may be more volatile and carry a higher risk to capital than funds investing in a broader investment universe. This is because the former are more vulnerable to market sentiment and risks specific to the country region/sector/asset class in which they invest compared with the latter which may be invested across several regions, sectors and asset classes.

Smaller companies risk

Funds investing mainly in smaller companies may be more volatile and carry a higher risk to capital than funds investing in larger companies. This is because the former are more vulnerable to market sentiment.

Concentrated portfolios risk

Funds may hold a relatively small number of investments, and as a result, may be more volatile and can be influenced by a small number of large holdings.

Inflation linked funds risk

Where a Fund is designed to provide protection against the effects of inflation, a change in the rate of inflation may affect the real value of your investment. The Fund will not necessarily track the inflation rate.

Liabilities of the fund risk

Shareholders are not liable for the debts of the Fund. A Shareholder is not liable to make any further payment to the Fund after he has paid in full for the purchase of Shares.

Protected cell - foreign courts risk

Whilst the Articles provides for segregated liability between the Funds, the concept of segregated liability may not be recognised and given effect by a court in certain contexts including where relevant contractual documents involving the Funds are not construed in a manner to provide segregated liability. Where claims are brought by local creditors in foreign courts or under foreign contracts, and the liability relates to one Fund which is unable to discharge its liability, it is not clear whether a foreign court would give effect to the segregated liability contained in the Articles.

Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance.

Negative interest rates risk

Cash or money market instruments held in a Fund are subject to the prevailing interest rates in the specific currency of the asset. There may be situations where the interest rate environment results in rates turning negative. In such situations the Fund may have to pay to have money on deposit or hold the money market instrument.

Investment in Funds risk

Collective investment schemes (or "funds") invest in a range of assets, each with its individual risks. While the Investment Manager will exercise due skill and care in selecting such schemes for investment, he will not have control over the management of these schemes or the fair pricing of the underlying securities. As such there is no guarantee that fair value of the fund's underlying holdings is at all times reflected in the reported net asset value.

Fund with fixed distributions risk

If the income distributions you receive from a Fund is set at a fixed rate and the income generated by the investment within the Fund is too low, your income distribution may be paid out partially or completely from capital. This may constrain capital growth.

Redemption charge risk

Funds may be subject to a redemption charge as described in the relevant Fund Supplement. In certain cases, the redemption charge may vary with the holding period of the investment and therefore be higher if the investment is redeemed shortly after subscription. Shareholders should pay particular attention to such redemption charge in the relevant Fund Supplement.

European Union and Eurozone risk

The deterioration of the sovereign debt of several countries, together with the risk of contagion to other, more stable, countries, has exacerbated the global economic crisis. This situation has also raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Eurozone.

As a result of the credit crisis in Europe, the European Commission created the European Financial Stability Facility (the EFSF) and the European Financial Stability Mechanism (the EFSM) to provide funding to Eurozone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Eurozone countries to

establish a permanent stability mechanism, the European Stability Mechanism (the ESM), to assume the role of the EFSF and the EFSM in providing external financial assistance to Eurozone countries from 1 July 2013 onward.

Despite these measures, concerns persist regarding the growing risk that other Eurozone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Cyprus, Greece, Ireland, Italy, Portugal and Spain, together with the risk that some countries could leave the Eurozone (either voluntarily or involuntarily), and that the impact of these events on Europe and the global financial system could be severe which could have a negative impact on the collateral.

Furthermore, concerns that the Eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Eurozone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. The departure or risk of departure from the Euro by one or more Eurozone countries and/or the abandonment of the Euro as a currency could have major negative effects on the issuer, the portfolio investments (including the risks of currency losses arising out of redenomination and related haircuts on any affected areas) and the securities. Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the securities or the portfolio investments. It is difficult to predict the final outcome of the Eurozone crisis. Investors should carefully consider how changes to the Eurozone may affect their investment in the securities.

China risk

Some Funds may invest, in accordance with their investment policy, in:

- China A Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect; and/or
- Chinese onshore bonds traded on the China Interbank Bond Market via Bond Connect.

Investing in the onshore (domestic) market of the PRC is subject to the risks of investing in emerging markets and other risks of investments applicable to the PRC (as described in this section), as well as to additional risks that are specific to the PRC market.

PRC political, economic and social risk

Investments in the People's Republic of China (the "PRC") are subject to certain risks with regards to political changes, social instability and adverse diplomatic developments which may take place in or in relation to the PRC and which can notably conduct to additional restrictions and change in the policies of the government and relevant authorities of the PRC. Investor shall note that risk of expropriation, confiscatory taxes and nationalisation may possibly arise in the PRC market, putting the value of the investment at risk and affect the performance of the Funds investing in the PRC.

Also, in order to support its economic growth and to control inflation, the PRC government has implemented economic measures and reforms in the last few years. There is no assurance that the PRC government will continue and maintain such economic policies and that the economic growth in PRC will continue. Changes in the economic policies may have an adverse impact on the PRC's economy and therefore affect the performance of the Funds investing in the PRC.

PRC legal system risk

The Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect are subject to regulation by both Mainland China and Hong Kong which are relatively new. These regulations are untested and are subject to change. In addition, there is no certainty as to how they will apply and regarding their enforceability.

There can be no assurance that changes in such regulations, their interpretation or their enforcement will not have a material adverse effect on the business operations of PRC companies which may issue securities to be invested by the Funds.

PRC accounting and reporting standards risk

Although accounting, auditing and financial standards and practices applicable to PRC companies should be based on the international accounting and reporting standards there may be significant differences between financial statements prepared in accordance with the PRC accounting standards and practice and those prepared in accordance with international accounting standards.

RMB currency risk

Renminbi is currently not a freely convertible currency as it is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC. Converting foreign currencies into Renminbi is carried out on the basis of the rate applicable to offshore Renminbi ("CNH"). The daily trading price of CNH against other major currencies in the inter-bank foreign exchange market is floating in a band around the central parity published by the People's Bank of China. The value of the CNH may differ, perhaps significantly, from the value of onshore Renminbi ("CNY") due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions applied by the Chinese government from time-to-time as well as other external factors and market forces.

If such policies change in the future, the Funds' position may be adversely affected as the Funds may hold assets denominated in Renminbi. There is no assurance that Renminbi will not be subject to devaluation, in which case the value of the investments may be adversely affected.

The CNH market is in development and there may be periods in which it is difficult for market participants to obtain or dispose of CNH. Furthermore, government or regulatory intervention in the CNH market may impact the availability and/or convertibility of CNH. In such situations, the exchange rate may fluctuate substantially and it may not be possible to obtain an exchange rate through any customary channel.

Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect risk

Some of the Funds may seek exposure to stocks issued by companies listed on Mainland China stock exchanges via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. The Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect are new trading programmes that link the stock markets in Shanghai or Shenzhen and Hong Kong and may be subject to additional risk factors. Investors in Hong Kong and Mainland China can trade and settle shares listed on the other market via the exchange and clearing house in their home market.

Under the Shanghai-Hong Kong Stock Connect (the "Shanghai Connect"), the Funds, through their Hong Kong brokers, may trade certain eligibility shares listed on the Shanghai Stock Exchange (the "SSE"). The scope of Shanghai Connect includes all constituent stocks of the SSE 180 Index and the SSE 380 Index and all China A Shares dual-listed on the SSE and the Stock Exchange of Hong Kong Limited (the "SEHK").

Under the Shenzhen-Hong Kong Stock Connect (the "Shenzhen Connect"), the Funds, through their Hong Kong brokers, may trade certain eligible shares listed on the Shenzhen Stock Exchange (the "SZSE"). The scope of Shenzhen Connect includes all constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index and all China A Shares dual-listed on the SZSE and SEHK.

Only certain China A Shares are eligible to be accessed through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. Such securities may lose their eligibility at any time and be recalled from the scope of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. When a stock is recalled from the scope of eligible stocks for trading via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the relevant Funds.

Furthermore, investor should note that market rules and disclosures requirements apply to companies issuing China A Shares, changes of such rules and requirements may affect share prices.

- Trading restrictions

Funds investing in China A Shares will be subject to restrictions on trading (including restriction on retention of proceeds) in China A Shares as a result of its interest in the China A Shares. Under the current Mainland China rules, once an investor holds up to 5% of the shares of a company listed on the SSE or the SZSE, the investor is required to disclose his interest within three working days and during which he cannot trade the shares of that company. The investor is also required to disclose any change in his shareholding and comply with related trading restrictions in accordance with the Mainland China rules.

- Beneficial owner of the China A Shares

The Funds trade SSE shares and SZSE shares through their brokers affiliated to the Funds sub-custodian who is SEHK exchange participants. These China A Shares will be held following settlement by brokers or custodians as clearing participants in accounts in the Hong Kong Central Clearing and Settlement System ("CCASS") maintained by the

Hong Kong Securities and Clearing Corporation Limited ("HKSCC") as central securities depository in Hong Kong and nominee holder. HKSCC in turn holds the China A Shares of all its participants through a "single nominee omnibus securities account" in its name registered with China Securities Depository and Clearing Corporation Limited ("ChinaClear"), the central securities depository in Mainland China.

China A Share in which the Funds will invest will be held on behalf of the Funds by the HKSCC and the Funds should be considered as the beneficial owners of the China A Shares. The Funds are therefore eligible to exercise their rights through the nominee only. The law surrounding such rights and the concept of beneficial ownership are at their early stages in China and the mechanisms that beneficial owners may use to enforce their rights are untested and therefore pose uncertain risks.

Investors should note that according to existing Mainland China practices, the Funds as a beneficial owner of China A Shares traded via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect cannot appoint proxies to attend shareholders' meetings on its behalf.

In the event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that China A Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under Mainland China law. However, HKSCC will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in China A Shares in Mainland China.

The HKSCC is a wholly-owned subsidiary of the Hong Kong Exchanges and Clearing Limited and is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors. The China A Shares traded through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect are issued in scripless form, and investors will not hold any physical China A Shares. Although HKSCC does not claim proprietary interests in the China A Shares held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of China A Shares.

- ChinaClear default risk

ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission.

In the event of a ChinaClear default, HKSCC's liabilities in China A Shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will, in good faith, seek recovery of the outstanding Stock Connect securities and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable. HKSCC will in turn distribute the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect's authorities.

The chances of China Clear default are considered to be remote.

- HKSCC default risk

A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement or the loss of China A Shares and/or monies in connection with them and the Funds and their investors may suffer losses as a result.

The Company shall be responsible or liable for any such losses.

- Volatility risk

The existence of a liquid trading market for China A Shares may depend on whether there is supply of, and demand for, China A Shares. The price at which securities may be purchased or sold by the Funds and the Net Asset Value of the Funds may be affected if trading markets for China A Shares are limited or absent.

The China A Share market may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention). Market volatility and settlement difficulties in the China A Share

markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the Funds investing in China A Shares.

Given that the China A Share market is considered volatile and unstable (with risk of suspension of a particular stock or governmental intervention), the subscription and redemption of Shares may also be disrupted.

- Suspension risk

It is contemplated that the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect have the right to suspend or limit trading in any security traded on the relevant exchange if necessary for ensuring an orderly and fair market and that risks are managed prudently. In particular, trading band limits are imposed by the stock exchanges on China A Shares, where trading in any China A Share security on the relevant stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit.

A suspension will render it impossible for the relevant Funds to liquidate positions and could thereby expose the Funds to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Funds to liquidate positions at a favourable price, which could thereby expose the affected Funds to significant losses. Finally, where a suspension is effected, the relevant Funds' ability to access the PRC market will be adversely affected.

- Quota and other limitations risk

The Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect allow non-Chinese investors to trade Chinese equities without a license, purchases of securities through such programmes are subject to market-wide quota limitations issued from time to time which may restrict a Fund's ability to deal via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect on a timely basis.

Trading under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect is initially subject to a maximum cross-boundary investment quota together with a daily quota. Quota limitations may prevent the Funds from purchasing China A Shares when it is otherwise advantageous to do so. In particular, once the quota are reached, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). This may impact that Fund's ability to implement its investment strategy effectively.

- Differences in trading day risk

Because the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect trades are routed through Hong Kong brokers and the SEHK, The Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. Therefore, it may happen that during a normal trading day for the PRC market, Fund cannot carry out any China A Shares trading via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. As a result, prices of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect may fluctuate at times when the Funds are unable to add to or exit its position.

Additionally, an investor cannot purchase and sell the same security on the same trading day, which may restrict the Funds' ability to invest in China A Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and to enter into or exit trades where it is advantageous to do so on the same trading day.

- Lack of investor protection risk

The Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect transactions are not covered by investor protection programs of either the Hong Kong, the SSE or the SZSE. Investment in SSE or SZSE shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. Investments of the Funds are not covered by the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to investors of

any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in respect of SSE or SZSE shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the Funds are exposed to the risks of default of the broker(s) it engages in its trading in China A Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

- Costs risk

In addition to paying trading fees, levies and stamp duties in connection with trading in China A Shares, Funds investing via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect may be subject to new fees arising from trading of China A Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect which are yet to be determined and announced by the relevant authorities.

China Interbank Bond Market and Bond Connect risk

The China Interbank Bond Market (the "CIBM") is an OTC market, where the majority of CNY bond trading takes place. The CIBM is at a stage of development and internationalisation. Bond Connect is a bond-trading link between China and Hong Kong which allows eligible foreign investors to invest in onshore Chinese bonds traded on the CIBM.

Market volatility and potential lack of liquidity due to low trading volumes may cause prices of Chinese onshore bonds to fluctuate significantly, and Funds investing in the CIBM may suffer losses. The Funds may also be exposed to risks associated with settlement procedures and default of counterparties.

Investing in the CIBM via Bond Connect is also subject to regulatory risks. The rules and regulations on these regimes are subject to change which may have potential retrospective effect on the Funds' ability to invest in the CIBM and to achieve their respective investment objectives.

China tax risk

- General

The Management Company reserves the right to provide for appropriate Chinese tax on gains of any Fund that invests in PRC securities thus impacting the valuation of the Fund.

With the uncertainty over whether and how certain gains on PRC securities are to be taxed, coupled with the possibility of the tax laws, regulations and practice in the PRC changing, and/or the current interpretation or understanding and also the possibility of taxes being applied retrospectively, any provision for taxation made by the Management Company may be excessive or inadequate to meet final PRC tax liabilities on gains derived from the disposal of PRC securities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provision and when they subscribed and/or redeemed their Shares in/from the Funds.

Shareholders may, depending on their own circumstances, be subject to PRC tax or taxes in other jurisdictions. It cannot be guaranteed that taxes paid at the level of the Funds investing in China A Shares will be attributable to any Shareholders for personal tax purposes.

The current tax laws, regulations and practice in China may change in the future with retrospective effect.

- Corporate Income Tax ("CIT")

Under the China CIT Law and the implementation rules, effective from January 1, 2008, an enterprise established under the laws of foreign countries or regions whose "place of effective management" is located within China is considered as a "resident enterprise" for CIT purposes. The "place of effective management" refers to the place where the substantial and overall management and control over the business, personnel, accounts and assets of the enterprise are exercised. A resident enterprise will normally be subject to CIT at the rate of 25% on its worldwide income.

Non-resident enterprises with establishments or places of business in China should be subject to CIT at the rate of 25% on taxable income derived by such establishments or places of business in China, as well as on taxable income earned outside China that is nevertheless effectively connected with the establishments or places of business in China.

The Funds investing in China A Shares will be managed in such a manner that the Company and such Funds should not be treated as tax resident enterprises of the PRC or non-tax resident enterprises with a permanent establishment ("PE") in the PRC for CIT law purposes, although this cannot be guaranteed.

To the extent that the Funds are not tax resident enterprises of the PRC or non-tax resident enterprises with a PE in the PRC for CIT law purposes, the Funds would only be subject to withholding income tax ("WHT") at the rate of 10% on taxable income sourced from China (e.g., dividends, interest, capital gains, etc.), unless otherwise reduced or exempted pursuant to the applicable tax treaties or tax arrangements between China and the jurisdictions where the Fund is a tax resident, or applicable PRC tax regulations.

- WHT on dividend from investment in China A Shares

Unless a specific exemption / reduction is applicable, the income of dividends and other profit distributions derived by the Funds from investing in China A Shares through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect is sourced from the PRC and subject to PRC WHT. The general WHT rate applicable is 10%, subject to the reduction by the applicable double tax treaty/arrangement. China A Shares issuers have the obligation to withhold the WHT when distributing dividends to the Funds. Such WHT may reduce the income from, and/or adversely affect the performance of, such Funds investing in China A Shares.

- WHT on capital gains from investment in China A Shares

According to Circular Caishui [2014] No. 81 - Notice about the tax policies related to the Shanghai-Hong Kong Stock Connect ("Circular 81") and Circular Caishui [2016] No.127 - Notice about the tax policies related to the Shenzhen-Hong Kong Stock Connect ("Circular 127") taking effect from 17 November 2014 and 5 December 2016 respectively, capital gains derived by Hong Kong market investors (including the Funds) from the trading of China A Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect are PRC-sourced income but are temporarily exempt from PRC WHT. There is no time limit set for the temporary WHT exemption provided by Circular 81 and Circular 127.

- Value added tax ("VAT") on investment in China A Shares

Dividends do not fall within the taxable scope of VAT. Therefore, dividends derived by the Funds from investment in China A shares are not subject to PRC VAT.

According to Circular Caishui [2016] No. 36 and Circular 127, capital gains derived by Hong Kong market investors (including the Funds) from the trading of China A Shares through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are exempt from VAT.

- Stamp duty

Stamp duty under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC's Provisional Rules on Stamp Duty. Hong Kong market investors trading through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect are required to pay stamp duty arising from the sale and purchase of China A Shares and the transfer of China A Shares by way of succession and gift in accordance with the prevailing PRC taxation regulations (currently, 0.1% of the transfer value imposed on the transferor, withheld by clearing house for Stock Exchanges, i.e. ChinaClear).

- PRC tax consideration on investment in Chinese onshore bonds traded on the CIBM via Bond Connect

Coupon interest derived by the Funds from the investment in PRC government bonds and local government bonds is exempt from PRC WHT and VAT.

The Ministry of Finance and the State Administration of Taxation ("SAT") of the PRC jointly announced the Circular Caishui [2018] No.108 ("Circular 108") in November 2018. According to Circular 108, bond coupon interest derived from 7 November 2018 to 6 November 2021 by foreign institutional investors (including the Funds) from investment

in onshore PRC bonds through China Interbank Bond Market is temporarily exempt from PRC VAT and WHT. On 26 November 2021 The Ministry of Finance and State Taxation Administration jointly issued Caishui [2021] No. 34 (Circular 34) to formally extend the tax exemption period provided in Circular 108 that applies to bond interest income paid to foreign institutional investors from the domestic bond market via QFII, RQFII, CIBM and Bond Connect from November 6, 2021 to December 31, 2025.

Gains derived by the Funds from the trading of PRC onshore bonds in CIBM are exempt from PRC VAT.

Currently, there is no specific PRC tax regulation clarifying the PRC CIT or WHT treatment on gains derived by foreign institutional investors from the transfer of PRC debt securities (including PRC bonds). Based on the general provisions of the PRC CIT Law and the SAT's current verbal interpretation, capital gains derived by the Funds from the disposal of PRC onshore bonds would potentially be regarded as non-PRC sourced income hence not subject to PRC WHT. The People's Bank of China ("PBOC") issued guidance in November 2017 indicated that gains derived by foreign institutional investors (including the Funds) from trading of China bonds in CIBM are not taxable for PRC WHT purpose. While the PBOC guidance has no binding effect, the WHT treatment indicated therein is consistent with the SAT's verbal clarification. In practice, Chinese tax authorities have not enforced the collection of WHT.

- Legal and regulatory uncertainties

The interpretation and applicability of existing PRC tax laws may not be as consistent and transparent as those of more developed nations, and may vary from region to region. There is a possibility that the current tax laws, regulations, and practice in the PRC may be changed with retrospective effect in the future. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any of these changes may reduce the income from, and/or value of, the Shares in the Funds investing in China A Shares.

There can be no guarantee that new tax laws, regulations, and practice in the PRC that may be promulgated in the future will not adversely impact the tax exposure of the Funds investing in China A Shares and/or its Shareholders.

Specific China QFI risks

Investment through Investment Manager third party's QFI licence

Under the prevailing regulations in China, foreign investors may invest in securities and investments permitted to be held or made by QFI under the relevant QFI Regulations (the "**QFI Eligible Securities**") through institutions that have obtained QFI status in China.

Where specified in a Fund's supplement, such relevant Fund may invest directly in QFI Eligible Securities via the QFI status of the Investment Manager.

There are rules and restrictions under current QFI Regulations including rules on investment restrictions, which are applicable to the QFI as a whole and not only to the investments made by the relevant Funds. Investments in QFI Eligible Securities made through institutions with QFI status are generally subject to compliance with investment and market access restrictions applicable to each QFI. Such rules and restrictions imposed by the Chinese government on QFI may have an adverse effect on the Funds' liquidity and performance.

Investors should be aware that violations of the QFI Regulations on investments arising out of activities of the QFI could result in the revocation of licenses or other regulatory actions against, including investment in QFI Eligible Securities issued by the said QFI made in the benefit of the relevant Funds.

Limits on redemption

Where the relevant Funds are invested in China's securities market by investing through the Investment Manager's QFI license, repatriation of funds from China may be subject to the QFI Regulations in effect from time to time. Accordingly, the investment regulations and/or the approach adopted by SAFE in relation to the repatriation may change from time to time. PRC custodian(s) (the "**PRC Custodian(s)**") may handle the capital and/or repatriation profit for the Investment Manager acting as QFI with written application or instructions as well as a tax payment commitment letter issued by the relevant Fund.

Custody and Broker risk

The QFI Eligible Securities acquired by the relevant Funds through the Investment Manager's QFI status will be maintained by the PRC Custodian(s) in electronic form via a securities account with the CSDCC or such other central clearing and settlement institutions and a cash account with the PRC Custodian(s).

The Investment Manager also selects the PRC Brokers to execute transactions for the relevant Funds in the PRC markets. The Investment Manager can appoint up to the maximum number of PRC Brokers per market (e.g. the Shanghai Stock Exchange and the Shenzhen Stock Exchange) as permitted by the QFI Regulations. Should, for any reason, the relevant Funds' ability to use the relevant PRC Broker be affected, this could disrupt the operations of the relevant Funds. The relevant Funds may also incur losses due to the acts or omissions of either the relevant PRC Broker(s) or the PRC Custodian(s) in the execution or settlement of any transaction or in the transfer of any funds or securities. Further, in the event of an irreconcilable shortfall in the assets in the securities accounts maintained by CSDCC which may arise due to a fault in the CSDCC or bankruptcy of CSDCC, the relevant Funds may suffer losses. It is possible that, in circumstances where only a single PRC Broker is appointed where it is considered appropriate to do so by the Investment Manager, the relevant Fund(s) may not necessarily pay the lowest commission or spread available.

Subject to the applicable laws and regulations in China, the Depositary will make arrangements to ensure that the PRC Custodians have appropriate procedures to properly safe-keep the Funds' assets.

According to the QFI Regulations and market practice, the securities and cash accounts for the investment funds in China are to be maintained in the name of "the full name of the QFI investment manager – the name of the fund" or "the full name of the QFI investment manager – client account". Notwithstanding these arrangements with third party custodians, the QFI Regulations are subject to the interpretation of the relevant authorities in China.

Moreover, given that pursuant to the QFI Regulations, the Investment Manager as QFI will be the party entitled to the securities (albeit that this entitlement does not constitute an ownership interest), such QFI Eligible Securities of the relevant Funds may be vulnerable to a claim by a liquidator of the Investment Manager and may not be as well protected as if they were registered solely in the name of the Funds concerned. In particular, there is a risk that creditors of the Investment Manager may incorrectly assume that the relevant Fund's assets belong to the Investment Manager and such creditors may seek to gain control of the relevant Fund's assets to meet the Investment Manager's liabilities owed to such creditors.

Investors should note that cash deposited in the cash account of the relevant Funds with the PRC Custodian(s) will not be segregated but will be a debt owing from the PRC Custodian(s) to the relevant Funds as a depositor. Such cash will be co-mingled with cash belonging to other clients of the PRC Custodian(s). In the event of bankruptcy or liquidation of the PRC Custodian(s), the Funds concerned will not have any proprietary rights to the cash deposited in such cash account, and the Funds concerned will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the PRC Custodian. The Funds concerned may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Funds concerned will suffer losses.

The Investment Manager as QFI shall entrust its PRC Custodian(s) to complete relevant registration formalities or submit relevant applications to the People's Bank of China ("PBOC") and SAFE as described in the Administrative Provisions on Domestic Securities and Futures Investment Capital of Foreign Institutional Investors (PBOC & SAFE Circular [2020] No. 2) (the "**Administrative Provisions**"). The Investment Manager shall cooperate with its PRC Custodian(s) in fulfilling obligations regarding review of authenticity and compliance, anti-money laundering, anti-terrorist financing, etc.

Onshore Versus Offshore Renminbi Differences Risk

While both the CNY and CNH are the same currency, they are traded in different and separated markets. The CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there has been a growing amount of the RMB held offshore (i.e. outside China), the CNH cannot be freely remitted into China and is subject to certain restrictions, and vice versa. Investors should note that subscriptions and redemptions in the relevant Funds investing in the QFI Eligible Securities through the Investment Manager's QFI license will be in USD and/or reference currency of the relevant share class and will be converted to/from the CNH and the investors will bear the forex expenses associated with such conversion and the risk of a potential difference between the CNY and CNH rates. The liquidity and trading price of the Funds concerned may also be adversely affected by the rate and liquidity of the RMB outside China.

Specific QFI Tax Risk

As a result of investing indirectly or directly in QFI Eligible Securities, the Funds may be subject to indirect or direct withholding and other taxes imposed by China. Investors should be aware that any changes or clarifications in the China taxation legislation may be retrospective in nature and could affect the amount of income which may be derived and the amount of capital returned, from the investments of the Funds. Laws governing taxation may continue to change and may contain conflicts and ambiguities.

Under current China tax law and regulations, there are uncertainties in the taxation rules of the QFI. The tax treatment for a QFI investing in QFI Eligible Securities is governed by the general taxing provisions of the Corporate Income Tax Law of China ("**CIT Law**") effective on 1 January 2008. This is on the basis that the QFI would be managed and operated such that it would not be considered a tax resident enterprise in China and would not be considered to have a permanent establishment in China. Under CIT Law, a 10% withholding income tax ("**WHT**") shall be imposed on China-sourced income (including but not limited to cash dividends, distributions, interests and gains from transfers of QFI Eligible Securities) for a foreign enterprise that does not have any establishment or place of business in China, or that has an establishment or place of business in China but whose income is not effectively connected with such establishment or place of business. The Investment Manager intends to operate the relevant Funds in a manner that will prevent them from being treated as tax residents of China and from having a permanent establishment in China, although this cannot be guaranteed.

The China Ministry of Finance ("**MOF**") and China State Taxation Administration ("**STA**") jointly released Caishui [2016] No.36 ("**Circular 36**") on 23 March 2016 which provided implementation guidance on the further rollout of the Value-Added Tax ("**VAT**"). Circular 36 takes effect from 1 May 2016 and VAT will replace business tax. According to Circular 36 which took effect on 1 May 2016, VAT at 6% shall be levied on the difference between the selling and buying prices of those marketable securities, e.g. China "A" Shares, unless there is specific exemption. Circular 36 and Caishui [2016] No. 70 ("**Circular 70**") also provide that gains derived by QFIs from trading of marketable securities are exempt from VAT effective on 1 May 2016. However, the term "marketable securities" is not defined under tax laws and regulations and it is unclear whether investment funds, index futures and warrants would fall within the definition. In addition, urban maintenance and construction tax (currently at rates ranging from 1% to 7%), educational surcharge (currently at the rate of 3%) and local educational surcharge (currently at the rate of 2%) (collectively the "**Surtaxes**") are imposed based on VAT liabilities, so if the QFI was liable for VAT they would also be required to pay the applicable Surtaxes.

The State Taxation Administration ("**STA**") has issued a circular Guoshuihan 2009 No. 47 on 23 January 2009 clarifying that QFI are subject to 10% China withholding tax on dividends and interest income that are sourced in China. Under the China CIT Law and its Detailed Implementation Rules, interest derived from the government bonds issued by the in-charge finance department of the State Council shall be exempt from PRC income tax.

The MOF, the STA and the China Securities Regulatory Commission ("**CSRC**") issued the Notice on temporary exemption of Corporate Income Tax on capital gains derived from the transfer of PRC equity investment assets such as PRC domestic stocks by QFI Caishui [2014] No.79 on 14 November 2014 ("**Notice 79**"). Notice 79 states that PRC corporate income tax will be imposed on capital gains obtained by QFII from the transfer of PRC equity investment assets (including PRC domestic stocks) realised prior to 17 November 2014 in accordance with laws.

Notice 79 also states that QFI (without an establishment or place of business in China or having an establishment or place in China but the income so derived in China is not effectively connected with such establishment or place) will be temporarily exempt from corporate income tax on gains realised from the trading of "A" Shares effective from 17 November 2014. It is also noted that Notice 79 states that the corporate income tax exemption on gains realised from the trading of the "A" shares effective from 17 November 2014 is temporary. As such, as and when the PRC authorities announce the expiry date of the exemption, the relevant Funds may in future need to make provision to reflect taxes payable, which may have a substantial negative impact on the Net Asset Value of the relevant Funds.

Aside from the above-mentioned rules, the PRC tax authorities have not clarified whether income tax and other tax categories are payable on gains arising from the trading in securities that do not constitute shares or other equity investments, such as bonds and other fixed income securities, of QFI. In the absence of specific rules in this regard, the general tax provisions under the PRC CIT Law should apply – such general tax provisions stipulate that a non-resident enterprise without permanent establishment in the PRC would generally be subject to WHT at the rate of 10% on its

PRC-sourced gains from the trading of PRC securities, unless exempt under the PRC tax laws and regulations or applicable double tax treaty or arrangement, if any. Pursuant to Article 7 of the Detailed Implementation Regulations of PRC CIT Law, where the property concerned is a movable property, the source shall be determined according to the location of the enterprise, establishment or place which transfers the property. In practice, the PRC tax authorities have not enforced the collection of PRC WHT in respect of gains derived by non-PRC tax resident enterprises from the trading of bonds/ fixed income securities issued by PRC tax resident enterprises. However, there is no written confirmation issued by the PRC tax authorities to confirm that the gains derived by foreign investors on the trading of bonds/fixed income securities issued by the PRC tax resident enterprises are non-PRC sourced. It is therefore possible that the relevant tax authorities may, in the future, clarify the tax position and impose an income tax or withholding tax on realised gains by QFI from dealing in PRC fixed income securities.

According to CSRC Public Notice [2020] No. 63, the QFI would be permitted to invest in additional asset classes such as depository receipts, bond repos, shares traded on National Equities Exchanges and Quotations, financial futures, options, foreign exchange derivatives, private investment funds, etc., effective from 1 November 2020. There are no specific rules and regulations governing the PRC WHT and VAT on capital gains derived by QFIs from the trading of the new permissible asset classes. It is uncertain whether the capital gains derived by the QFI from trading of the new permissible asset classes would be subject to WHT at 10%. Although the capital gains derived by the QFI from trading of market securities are exempt from VAT, the term “marketable securities” is not defined under tax laws and regulations and it is unclear whether new permissible asset classes would fall within the definition. Therefore, it is uncertain whether the capital gains derived by the QFI from trading of the new permissible asset classes would be subject to VAT. If VAT is payable, there are also other surtaxes (which include Urban Construction and Maintenance Tax, Education Surcharge and Local Education Surcharge) that would also be charged at an amount as high as 12% of the 6% VAT payable.

When such tax is collected by China authorities, the tax liability will be payable by the QFI. In such event, any tax levied on and payable by the QFI will be passed on to and borne by the Funds to the extent that such tax is indirectly or directly attributable to the Funds through their holdings of QFI Eligible Securities. The Directors may at their discretion, provide indemnities on behalf of the Funds to the QFI in respect of possible capital tax gains imposed by the China tax authorities.

In light of the above, some or all of the QFI may withhold certain amounts in anticipation of China withholding tax on the Funds’ capital gains attributed to the QFI. The amount withheld by the QFI may be held by them for a specified period of time or indefinitely.

The Directors are of the opinion that a reserve may be warranted and may establish such a reserve in respect of the relevant Funds ("**Reserve**"). This Reserve is intended to cover potential indirect or direct PRC tax liabilities which may arise from realised gains relating to indirect or direct investments in equity investments in the QFI Eligible Securities being equities prior to 17 November 2014, and realised and/or unrealised gains relating to indirect or direct investments in the QFI Eligible Securities other than equities by the relevant Funds. In respect of potential tax liabilities relating to indirect investments in QFI Eligible Securities, this would also cover liabilities which are not otherwise covered by amounts withheld by the QFI.

Upon the clarification by the China tax authorities of the tax liability to the advantage of the QFI and/or the Funds, all or part of the Reserve may be rebated to and retained by the Funds. In the event that the China tax authorities’ clarification results in a disadvantageous outcome for the QFI and/or the Funds, there is no guarantee that the Reserve or withheld amounts by the QFI (the "**withheld amounts**") will be enough to cover such indirect or direct China tax liabilities. If the withheld amounts or Reserve is insufficient to satisfy the indirect or direct China tax liabilities, the Funds may be required to make payment to satisfy such tax liabilities.

Investors should note that as and when the China tax authorities provide clarity on the position, treatment and implications of taxation of QFI, such implications may have a retrospective effect such that the Net Asset Value of the relevant Funds may be lower or higher than what was calculated at the relevant time. In addition, before published guidance is issued and is well established in the administrative practice of the China tax authorities, the practices with respect to investments in QFI Eligible Securities may differ from, or be applied in a manner inconsistent with the

practices with respect to the analogous investments described herein or any new guidance that may be issued. In this regard, investors who had redeemed their Shares in a Fund prior to any credit made into that Fund as a result of China tax authorities' clarification on the tax position of QFI shall not have any right or claim to any amount so credited.

In the event a Fund is terminated or ceases to exist before the China tax authorities provide clarity, the Reserve may either be retained by or transferred to the Investment Manager on behalf of the Fund. In this situation, the investors will not have any claim on such amount.

Derivatives risk

Derivative instruments

The Fund undertakes transactions in derivatives and forward transactions, both on exchange and OTC Derivatives, for the purposes of meeting the investment objective, protecting the risk to capital, currency, duration and credit management, as well as for hedging.

Generally, derivative instruments are financial contracts whose value depend upon, or are derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, high yield debt securities (rated lower than BBB- by Standard & Poor's or Fitch or lower than Baa3 by Moody's), interest rates, currencies or currency exchange rates and related indices. Derivative instruments on diversified financial indices may involve a broader range of underlying assets than direct exposures, for example leveraged loans and commodities.

Derivative instruments can include, but are not limited to, futures, forwards, Swaps, (including total return swaps), Options, warrants (allowing the Investment Manager to buy stocks for a fixed price until a certain date) and contracts for differences. These instruments can be highly volatile and expose investors to a high risk of loss. Such instruments normally require only low initial margin deposits in order to establish a position in such instruments and may permit a high degree of leverage. As a result, 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.

The Risk Management Process document sets out the approved derivative strategies and is available upon request from the Management Company.

- Derivatives – Correlation (basis risk)

Correlation risk is the risk of loss due to divergence between two rates or prices. This applies particularly where an underlying position is hedged through derivative instruments which are not the same as (but may be similar to) the underlying position.

- Derivatives – Valuation

Valuation risk is the risk of differing valuations of derivative instruments arising from different permitted valuation methods. Many derivative instruments, in particular OTC Derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals who are often also the counterparty to the transaction. As a result, the daily valuation may differ from the price that can actually be achieved when trading the position in the market.

- Derivatives – Liquidity

Liquidity risk exists when a particular instrument is difficult to purchase or sell. Derivative transactions that are particularly large, or traded off market (i.e. over the counter), may be less liquid and therefore not readily adjusted or closed out. Where it is possible to buy or sell, this may be at a price that differs from the price of the position as reflected in the valuation of the position.

- Derivatives – Counterparty

Certain derivative types may require the establishment of a long term exposure to a single counterparty which increases the risk of counterparty default or insolvency. While these positions are collateralised, there is a residual risk between both the mark to market and the receipt of the corresponding collateral as well as between the final settlement of the contract and the return of any collateral amount, this risk is referred to as daylight risk. In certain

circumstances, the physical collateral returned may differ from the original collateral posted. This may impact the future returns of the Fund.

- Derivatives – Delivery

The Fund's ability to settle derivative contracts on their maturity may be affected by the level of liquidity in the underlying asset. In such circumstances, there is a risk of loss to the Fund.

- Derivatives – Legal

Derivative transactions are typically undertaken under separate legal arrangements. In the case of OTC Derivatives, a standard International Swaps and Derivatives Association ("ISDA") agreement is used to govern the trade between the Fund and the counterparty. The agreement covers situations such as a default of either party and also the delivery and receipt of collateral. As a result, there is a risk of loss to the Fund where liabilities in those agreements are challenged in a court of law.

- Derivatives – EMIR

Certain Funds may be subject to EMIR which is a regulation on over-the-counter derivatives, central counterparties and trade repositories, which also comprehensively regulates the over-the-counter derivatives markets. EMIR lays down uniform requirements in respect of OTC derivative transactions by requiring certain "eligible" OTC derivatives transactions to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain details of derivatives transactions to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty credit risk in respect of OTC derivatives contracts which are not subject to mandatory clearing. These requirements include the exchange of margin and, where initial margin is exchanged, its segregation by the parties, including by the Company.

Complying with EMIR could result in additional compliance costs for the Funds in scope and could lead to an increase in the overall costs of entering into and maintaining OTC derivatives contracts.

Investors should be aware that the regulatory changes arising from EMIR and other applicable laws requiring central clearing of OTC derivatives could adversely affect the ability of the Funds to adhere to their respective investment policies and achieve their investment objective.

- Derivatives – Volatility

Derivative instruments may be used to generate market exposure to investments exceeding the net asset value of the Fund, thereby exposing the Fund to a higher degree of risk than an equivalent Fund that does not use derivative instruments. As a result of this exposure, the size of any positive or negative movement in markets may have a more significant effect on the net asset value of the Fund.

- Derivatives – Limited Use

Derivative instruments may be used in a limited way to obtain exposure to investments rather than holding the investments directly. It is anticipated that the use of derivative instruments will not materially alter the risk profile of the Fund or increase price fluctuations compared to equivalent funds that do not invest in derivative instruments.

Exposure greater than Net Asset Value

Derivative instruments may be used to generate credit and equity exposure to investments exceeding the Net Asset Value of the Fund, thereby exposing the Fund to a higher degree of risk. As a result of increased market exposure, the size of any positive or negative movement in markets will have a relatively larger effect on the Net Asset Value of the Fund. The additional credit and equity exposure will however be limited to such an extent as to not materially increase the overall volatility of the Net Asset Value.

Short sales

The Fund may take short positions through the use of derivative instruments which are not backed by equivalent physical assets. Short positions reflect an investment view that the price of the underlying asset is expected to fall in value. Accordingly, if this view is incorrect and the asset rises in value, the short position could involve losses of the

Fund's capital due to the theoretical possibility of an unlimited rise in their market price. However, shorting strategies are actively managed by the Investment Manager such that the extent of the losses will be limited.

Currency strategies

Funds which use currency management strategies may have substantially altered exposures to currency exchange rates. Should these currencies not perform as the fund Investment Manager expects, the strategy may have a negative effect on performance.

Negative duration risk

The Fund may take a negative duration position if the Investment Manager believes yields are likely to rise strongly. This means the Fund could produce a capital gain if bond yields increase which is not normally achievable by a typical bond fund. However, if the Fund is positioned with negative duration and yields fall, the position will be detrimental to performance.

Convertible bonds risk

Convertible bonds are bonds issued by companies that give the bondholder the option to trade in the bond for shares in the company.

Convertible bonds are subject to the risks associated with both bonds and company shares, and to risks specific to the asset class. Their value may change significantly depending on economic and interest rate conditions, the creditworthiness of the issuer, the performance of the underlying company shares and general financial market conditions. In addition, issuers of convertible bonds may fail to meet payment obligations and their credit ratings may be downgraded. Convertible bonds may also be less liquid than the underlying company shares.

Contingent convertible debt securities risk

Contingent convertible debt securities are bonds issued by companies, which convert into shares in the company when certain capital conditions are met and are subject to the following risks.

Trigger levels and conversion risk

Contingent convertible debt securities are complex financial instruments in respect of which trigger levels and conversion risk, depending on the distance of the capital ratio to the trigger level, differ. It might be difficult for the Investment Manager to anticipate the triggering events that would require the debt to convert into equity and to assess how the securities will behave upon conversion. In case of conversion into equity, the Investment Manager might be forced to sell these new equity shares because the investment policy of the Fund does not allow equity in its portfolio. This forced sale may itself lead to liquidity issue for these shares.

Unknown and yield risk

The structure of the contingent convertible debt securities is innovative yet untested. Investors have been drawn to this instrument as a result of its often attractive yield which may be viewed as a complexity premium. Yield has been a primary reason this asset class has attracted strong demand, yet it remains unclear whether investors have fully considered the underlying risks. Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, contingent convertible debt securities tend to compare favourably from a yield standpoint. The concern is whether investors have fully considered the risk of conversion or, for AT1 contingent convertible debt securities, coupon cancellation.

Write-down, capital structure inversion and industry concentration risk

The investment in contingent convertible debt securities may also result in a material loss. In this event, should a contingent convertible debt security undergo a write-down, the contingent convertible debt securities' investors may lose some or all of its original investment. Contrary to classical capital hierarchy, contingent convertible debt securities' investors may suffer a loss of capital when equity holders do not.

To the extent that the investments are concentrated in a particular industry, the contingent convertible debt securities' investors will be susceptible to loss due to adverse occurrences affecting that industry.

Call extension risk

Contingent convertible debt securities are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.

Coupon cancellation risk

For some contingent convertible debt securities, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time.

Liquidity risk

In certain circumstances finding a ready buyer for contingent convertible debt securities may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

Securitised bonds risk

Certain Funds may invest in asset-backed securities which are securities whose income payments and therefore value are derived from and collateralized (or "backed") by a specified pool of underlying assets which may be commercial or residential mortgages, credit card receivables, student loans, auto loans, other commercial or consumer receivables, corporate loans, bonds, and whole business securitisation.

The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds.

Asset-backed securities are often exposed to extension risk (where obligations on the underlying assets are not paid on time) and prepayment risks (where obligations on the underlying assets are paid earlier than expected), these risks may have a substantial impact on the timing and size of the cash flows paid by the securities and may negatively impact the returns of the securities.

Prepayment risk is typically greater when interest rates are declining as mortgages and loans are prepaid. This may negatively impact the return of any Fund investing in such security as the income generated will have to be reinvested at the lower prevailing interest rates. Conversely, extension risk tends to increase when interest rates rise as the prepayment rate decreases causing the duration of asset-backed securities to lengthen and expose investors to higher interest rate risk.

The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

Credit default swaps risk

A credit default swap is a type of credit derivative instrument which allows one party (the "protection buyer") to transfer credit risk of a reference entity (the "reference entity") to one or more other parties (the "protection seller"). The protection buyer pays a periodic fee to the protection seller in return for protection against the occurrence of a number of events (each, a "credit event") experienced by the reference entity. Credit default swaps carry specific risks including high levels of gearing, the possibility that premiums are paid for credit default swaps which expire worthless, wide bid/offer spreads and documentation risks.

In addition, there can be no assurance that the counterparty to a credit default swap will be able to fulfil its obligations to the Company if a credit event occurs in respect of the reference entity. Further, the counterparty to a credit default swap may seek to avoid payment following an alleged credit event by claiming that there is a lack of clarity in, or an alternative meaning of, language used in the contract, most notably the language specifying what would amount to a credit event.

Swap agreements risk

The Company may enter into Swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, Swap agreements may increase or decrease the Company's exposure to long-term or short-term interest rates, currency values, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates.

Swap agreements can take many different forms and are known by a variety of names. The Company is not limited to any particular form of Swap agreement if consistent with the terms of the Prospectus and the investment objective and policy of a Fund.

Swap agreements tend to shift the Company's investment exposure from one type of investment to another. For example, if the Company agrees to exchange payments in one currency for payments another currency, the Swap agreement would tend to decrease the Company's exposure to interest rates in the country and/or region of the first currency and increase its exposure to the other currency and interest rates in the relevant country and/or region.

Depending on how they are used, Swap agreements may increase or decrease the overall volatility of the Company's portfolio. The most significant factor in the performance of Swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Company. If a Swap agreement calls for payments by the Company, the Company must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of Swap agreements with such counterparty can be expected to decline, potentially resulting in losses by the Company.

Use of Swaps agreements may also incur counterparty risk as defined above.

Securities lending and repurchase contracts risk

Securities lending and repurchase contracts involve a number of risks, including many of those with respect to derivative instruments (above) and collateral (below).

In addition, the following additional risks may be relevant:

Securities lent under securities lending transactions may be returned late by the borrower or not at all as a result of the borrower's default or administrative or operational error. This might mean that the Fund is unable to meet its obligation to complete the sale of the relevant security, causing it to breach its contractual obligations to a third party purchaser. If the borrower of a security defaults, to the extent that the value of the collateral held by the Fund at the relevant time is less than the value of the securities lent by the Fund, the Fund will be an unsecured creditor for the difference and may not recover in full or at all.

Repurchase transactions involve the risk that the face value of the cash received by the Fund falls below the market value of the securities sold under the transaction. While the Fund should generally have a right to call for additional collateral, if a counterparty defaults (e.g. becomes insolvent or breaches the contract), and the value of the collateral is less than the value of the securities sold, the Fund will be an unsecured creditor for the difference and may not recover in full or at all.

Reverse repurchase contracts involve the risk that the market value of the securities bought by the Fund falls below the face value of the cash it pays for them. While the Fund should generally have a right to call for additional collateral, if a counterparty defaults (e.g. becomes insolvent or breaches the contract), and the value of the collateral is less than the value of the cash paid, the Fund will be an unsecured creditor for the difference and may not recover in full or at all.

The Company does not currently engage in securities lending and repurchase contracts and this Prospectus will be amended before it may do so.

Collateral risk

The taking of collateral may reduce counterparty risk but it does not eliminate it entirely. There is a risk that the value of collateral held by the Fund may not be sufficient to cover the Fund's exposure to an insolvent counterparty. This could for example be due to the issuer of the collateral itself defaulting (or, in the case of cash collateral, the bank with whom such cash is placed becoming insolvent), lack of liquidity in the relevant collateral meaning that it cannot be sold in a timely manner on the failure of the collateral giver, or price volatility due to market events. In the event that the Fund attempts to realise collateral following the default by a counterparty, there may be no or limited liquidity or other restrictions in respect of the relevant collateral and any realisation proceeds may not be sufficient to off-set the Fund's exposure to the counterparty and the Fund may not recover any shortfall. It is also possible that assets held as collateral in custody may be lost although, for financial assets held in custody, the Depositary will be obliged to return equivalent assets.

Collateral management is also subject to a number of operational risks, which can result in a failure to request collateral to cover the exposure of a Fund or failure to demand the return of collateral from a counterparty when due. There is the risk that the legal arrangements entered into by the Company for the account of a Fund are held not to be enforceable in the courts of the relevant jurisdiction, meaning that the Fund is unable to enforce its rights over the collateral received in the case of a counterparty failure.

Collateral will not be reused.

Where collateral is delivered by way of title transfer, the Fund will be exposed to the creditworthiness of the counterparty and, in the event of insolvency, the Fund will rank as an unsecured creditor in relation to any amounts transferred as collateral in excess of the Fund's exposure to the counterparty.

Fixed maturity fund risk

The nature of the investment objective and investment policy of a fixed maturity Fund means that the risk profile of the Fund may vary over the term of the Fund. As the securities are redeemed and as the maturity date approaches, the nature of the risks associated with the portfolio may change and the Fund's exposure to risk may decrease. The Fund's risk profile may therefore change significantly between its launch date and the maturity date.

Special purpose acquisitions companies (SPACs) risk

SPACs are vehicles formed prior to the acquisition of a target for the purpose of raising capital through an initial public offering to fund the acquisition.

Prior to the acquisition of a target, the SPAC is effectively a cash-holding vehicle for a predefined period of time which holds predefined redemption rights.

SPACs are subject to certain risk factors:

- Prior to an acquisition, the SPAC is subject to the risks that the proposed acquisition or merger may not obtain the approval of SPAC shareholders or may require other approvals that it fails to obtain which puts it at risk of foregoing a potential investment opportunity.
- Post-acquisition, the SPAC trades as listed equity and as the market for newly-public is generally volatile, the share price may fluctuate significantly over a short period of time. Similar to smaller companies, after the SPAC acquisition, the stock may be less liquid, more volatile and tend to carry greater financial risk than stocks of larger companies. Any investments made in the SPAC in connection with an acquisition or merger will be diluted by any further fundraising post-acquisition by the acquired company.

Distressed securities risk and defaulted securities risk

No Fund may invest in distressed and defaulted debt securities unless this is expressly stated in the relevant Fund's investment policy. Therefore, the below risk warning only applies to M&G (Lux) US High Yield Bond Fund.

Investment in these types of securities involve significant risk. A Fund's investment in securities of an issuer in weak financial condition may include issuers with substantial capital needs or negative net worth or issuers that are, have been or may become, involved in bankruptcy or reorganisation proceedings.

Distressed securities frequently do not produce income while they are outstanding and may require the holders to bear certain extraordinary expenses in order to protect and cover its holding. Typically, an investment in distressed securities will be made when the Investment Manager believes either that the security is offered at a materially different level from what the Investment Manager believes to be its fair value, or that it is reasonably likely that the issuer will make an exchange offer or will be subject to a plan of reorganisation, however, there can be no assurance that such an exchange offer will be made, or such a plan of reorganisation will be adopted, or any securities or other assets received in connection with such an exchange offer or reorganisation plan will not have a lower value or income potential than anticipated when the initial investment was made.

Before investing in high yield bonds and on an ongoing basis, the Investment Manager will analyse whether such bonds are to be considered as distressed securities (or not) and will ensure compliance with the investment policy of the relevant Fund.

Default securities are those for which the issuer failed to repay the principal and/or make interests payments.

Although investment in default securities may result in significant returns for a Fund, it involves a substantial risk of liquidity.

The risk of loss due to default may be considerably greater with lower quality securities because they are generally unsecured and are often subordinated to other creditors of the issuer. If the issuer of a security in a Fund's portfolio defaults, the Fund may have unrealised losses on the security, which may lower the Fund's net asset value.

Defaulted securities tend to lose much of their value before they default. Thus, the Fund's net asset value may be adversely affected before an issuer defaults. In addition, the Fund may incur additional expenses if it must try to recover principal or interest payments on a defaulted security.

Share Class specific risks

Investors should read the specific risks associated with certain Share Classes.

Unhedged Share Classes currency risk

Currency exchange rate fluctuations will impact the value of an unhedged share classes where the currency of the share class differs from that of the valuation currency of the Fund.

Currency Hedged Share Classes risk

Exchange rate fluctuations can materially impact investment returns and investors should ensure that they fully understand the difference between investment in hedged and non-hedged Share Classes.

Currency risk

Investors should note that, irrespective of the Share Class hedging methodology, the currency hedge used to minimise the effect of exchange rate fluctuations will not be perfect. It will not completely eliminate the exposure of a Currency Hedged Share Class to currency movements and no assurance can be given that the currency-hedging objective will be achieved. Shareholders may still be exposed to an element of currency exchange rate risk through exposure to currencies other than the currency of the Hedged Share Class and the risks associated with the instruments used in the hedging process.

The currency hedge implemented is equivalent to between 95% and 105% of the Net Asset Value of a Currency Hedged Share Class. Hedged positions are monitored on an ongoing basis to ensure they do not exceed the levels set out above. However factors outside the control of the Management Company or its delegates, such as changes in the value of the portfolio of the Fund or the volume of subscriptions and redemptions, may lead to over-hedged or under-hedged positions. In such cases, the currency hedge will be adjusted without undue delay.

Investors should be aware that the currency hedging strategy may substantially limit Shareholders of the relevant Currency Hedged Share Class from benefiting if the Currency Hedged Share Class Currency falls against the relevant hedging reference currency.

During periods when interest rates across currency areas are very similar, the interest rate differential (the "IRD") is very small, the impact on Currency Hedged Share Class returns is low. However, in an environment where interest rates are significantly different between the relevant hedging reference currency of the Fund and the Currency Hedged Share Class Currency, the IRD will be higher and the performance difference will be greater.

Currency Hedged Share Classes will be hedged irrespective of the movements in currency exchange rates.

Spill-over risk

Gains or losses arising from currency Hedging Transactions are borne by the Shareholders of the respective Currency Hedged Share Classes.

As there is no legal segregation of assets and liabilities between different Share Classes in the same Fund, there is a risk that, under certain circumstances, Hedging Transactions or the requirement for collateral (if such activity is collateralised) in relation to one Currency Hedged Share Class could have an adverse impact on other Share Classes in the same Fund.

Distribution from capital risk

Distribution Share Classes (such as those identified with an "F", "SP", "SY", "EP" or "EY" suffix) may pay dividends out of investment income, capital (including net realised and unrealised investment gains and investors' initial investment). This is because, from time to time, the dividend paid may be more than the investment income earned by the relevant Fund.

The payment of dividends out of capital may exceed the net realised and unrealised investment gains of the Share Class and could result in an erosion of an investor's initial investment. The capital will be eroded and "income" will be achieved by forgoing the potential for future capital growth of Shareholders' investments and the value of future returns may also be diminished.

The payment of dividends out of capital will normally continue during periods of negative performance of a Fund, resulting in a more rapid fall in the value of a Share Class than would occur if dividends were not being paid. This cycle may continue until all capital is depleted.

The payment of dividends out of capital may have different tax implications to dividends paid out of income and be tax-inefficient in certain countries. Investors are recommended to seek appropriate tax advice in relation to investment in distribution Share Classes.

This risk to long-term capital growth and capital erosion are particularly relevant to Distribution Shares Classes identified with an "F", "EP" or "EY" suffix.

For Distribution Shares Classes identified with an "F" suffix, where the distribution is based on a fixed amount or fixed percentage of the Net Asset Value per Share which is not linked to income or capital, a payment of dividends out of capital may be required where the amount of investment income earned by the Fund is not sufficient to meet this fixed amount or fixed percentage.

Distribution Shares Classes identified with an "EP" or "EY" suffix prioritise dividend payments over capital growth and will typically distribute more than the investment income earned by the Fund. A payment of dividend out of capital may be required to provide the enhanced payment or enhanced yield which these Share Classes aim to provide respectively.

Dividend payments may also include interest rate differentials arising from currency hedging. Interest rate differentials can be positive, negative or nil.

Positive interest rate differentials are expected to increase the distribution amount available to be distributed. Inclusion of any interest rate differential in the distribution calculation will be considered a distribution from capital or capital gains. The capital of the relevant Share Class would not benefit from the interest rate differential and this may result in capital erosion.

Negative interest rate differentials are expected to decrease the distributions amount available to be distributed. In extreme cases, where interest rate differentials are negative and are greater than the distribution yield of a Fund calculated in its Reference Currency, then it is possible that no dividend will be paid.

Performance Fee Share Class risk

The Management Company is entitled to a Performance Fee for certain Share Classes in certain Funds, payable to the Investment Manager as detailed in Appendix 2.

A Fund's valuation may include both realised and unrealised gains and a Performance Fee may be paid on unrealised gains which may not subsequently be realised. Due to the Performance Fee calculation methodology, a shareholder may incur a Performance Fee even though ultimately such shareholder does not receive a positive return.

Where the Performance Fee accrual is reduced due to negative performance on any Dealing Day in an accounting period, it will be offset against any prior positive performance per Share, thereby reducing the Performance Fee accrual per Share within that Share Class. This fee adjustment may not exactly match a previous positive accrual because the number of Shares in issue at the time of the underperformance may be more or less than those in issue at the time of original accrual. If the Performance Fee accrual is reversed across a larger number of Shares in issue at the time of underperformance than were in issue at the time of the outperformance, earlier investors in the Share Class may experience dilution to the NAV per Share.

Investment restrictions and powers

The Directors shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments for each Fund, the Reference Currency of a Fund and the course of conduct of the management and business affairs of the Company.

Except to the extent that more restrictive rules are provided for in connection with a specific Fund under the relevant Fund Supplement, the investment policy shall comply with the investment rules and restrictions laid down hereafter.

1 Permitted investments

The investments of a Fund must comprise only one or more of the following:

- 1.1 Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
- 1.2 Transferable Securities and Money Market Instruments dealt in on another market in a Member State that is regulated, operates regularly and is recognised and open to the public;
- 1.3 Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a Non-Member State or dealt in on another market in a Non-Member State which is regulated, operates regularly and is recognised and open to the public;
- 1.4 Recently issued Transferable Securities and Money Market Instruments, provided that:
 - A The terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market, stock exchange or on another regulated market as described under 1.1 to 1.3 above; and
 - B Such admission is secured within one year of issue;
- 1.5 Units or shares of UCITS and/or other UCIs within the meaning of Article 1 (2), points a) and b) of the UCITS Directive, whether or not established in a Member State, provided that:
 - A Such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
 - B The level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of UCITS Directive;
 - C The business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and
 - D No more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;
- 1.6 Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a Non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;

1.7 Derivative instruments, in particular Options and futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or other market referred to in 1.1 to 1.3 above, and/or OTC Derivatives, provided that:

A

- the underlying consists of instruments covered by this section 1, financial indices¹, interest rates, foreign exchange rates or currencies, in which the Funds may invest according to their investment objectives and policies;
- the counterparties to OTC Derivative are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
- the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative; and
- exposure to the underlying assets does not exceed the investment restrictions set out in section 2.12 below;

B Under no circumstances shall these operations cause the Fund to diverge from its investment objectives.

1.8 Money Market Instruments other than those dealt in on a Regulated Market, and which fall within the definition given in the section "Definitions", to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

A Issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a Non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more member states of the EU belong; or

B Issued by an undertaking any securities of which are dealt in on Regulated Markets referred to in 1.1, 1.2 or 1.3 above; or

C Issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or

D Issued by other bodies provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

1.9 Shares issued by one or several other Funds of the Company (the "Target Fund"), under the following conditions:

A The Target Fund does not invest in the investing Fund;

B Not more than 10% of the assets of the Target Fund may be invested in other Funds of the Company;

C The voting rights linked to the Transferable Securities of the Target Fund are suspended during the period of investment;

D In any event, for as long as these securities are held by the Company, their value will not be taken into consideration for the calculation of the Net Asset Value for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law; and

E There is no duplication of management/subscription or repurchase fees between those at the level of the Fund of the Company having invested in the Target Fund and this Target Fund.

¹ Complying with Article 9 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the UCI Law.

1.10 However, each Fund:

- A Shall not invest more than 10% of its net assets in Transferable Securities or Money Market Instruments other than those referred to above under 1.1 to 1.4 and 1.8 above;
- B Shall not acquire either precious metals or certificates representing them;
- C May hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the Directors consider this to be in the best interest of the Shareholders;
- D May acquire movable and immovable property which is essential for the direct pursuit of its business;
- E May borrow up to 10% of its net assets, provided that such borrowings (i) are made only on a temporary basis or (ii) enables the acquisitions of immovable property essential for the direct pursuit of its business. Where a Fund is authorised to borrow under points (i) and (ii), that borrowing shall not exceed 15% of its assets in total. Collateral arrangements with respect to the writing of Options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction; and
- F May acquire foreign currency by means of a back-to-back loan.

2 Investment restrictions

- 2.1 For the purpose of calculating the restrictions described in 2.3 to 2.7 and 2.10 below, companies which are included in the same Group of Companies are regarded as a single issuer.
- 2.2 To the extent an issuer is a legal entity with multiple sub-funds where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk diversification rules.

Transferable Securities and Money Market Instruments

- 2.3 No Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:
 - A Upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of such issuer; or
 - B The total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC Derivatives made with financial institutions subject to prudential supervision.
- 2.4 A Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.
- 2.5 The limit of 10% set forth above under 2.3(A) above is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Non-Member State or by a public international body of which one or more Member State(s) are member(s).
- 2.6 The limit of 10% set forth above under 2.3(A) above is increased up to 25% in respect of covered bonds as defined under article 3, point 1 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU, and for certain qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities issued before 8 July 2022, the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Fund invests more than 5% of its

net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Fund.

- 2.7 The securities specified under 2.5 and 2.6 above are not to be included for purposes of computing the ceiling of 40% set forth above under 2.3(B) above.
- 2.8 Notwithstanding the ceilings set forth above, each Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU, by its local authorities, by any other Member State of the OECD such as the US, by certain non-Member States of the OECD (currently Brazil, Indonesia, India, Russia and South Africa) or by a public international body of which one or more Member State(s) of the EU are member(s) (collectively, "Public Issuers"), provided that (i) such securities are part of at least six different issues and (ii) the securities from any or such issue do not account for more than 30% of the net assets of such Fund.
- 2.9 When investing in derivative instruments on Transferable Securities or Money Market Instruments issued or guaranteed by Public Issuers, the diversification requirements set out in the preceding paragraph do not need to be complied with, provided however that any direct investments in the relevant Transferable Securities or Money Market Instruments together with any investments in derivative instruments on such Transferable Securities or Money Market Instruments do not represent, on an aggregate basis, more than 100% of the relevant Fund's net assets.
- 2.10 Without prejudice to the limits set forth hereunder under 2.22 and 2.23 below, the limits set forth in 2.3 above are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:
- A The composition of the index is sufficiently diversified;
 - B The index represents an adequate benchmark for the market to which it refers; and
 - C It is published in an appropriate manner.

The limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain Transferable Securities or Money Market Instruments are highly dominant, provided that any investment up to this 35% limit is only permitted for a single issuer.

Bank deposits

- 2.11 A Fund may not invest more than 20% of its net assets in deposits made with the same body.

Derivative instruments

- 2.12 The risk exposure to a counterparty in OTC Derivatives and efficient portfolio management techniques (as described below) may not exceed 10% of the Fund's net assets when the counterparty is a credit institution referred to in 1.6 above or 5% of its net assets in other cases.
- 2.13 Investment in derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set out in this section. When the Fund invests in index-based derivative instruments, these investments do not have to be combined with the limits set out above.
- 2.14 When a Transferable Security or Money Market Instrument embeds a derivative instrument, the latter must be taken into account when complying with the requirements of 1.7 above as well as with the risk exposure and information requirements laid down in the present Prospectus.

Any returns or losses generated by OTC Derivatives will be for the account of the Fund, subject to the terms agreed with the relevant counterparty or broker which may provide for deductions for taxes and any fees, costs and expenses of the counterparty or broker, any custodian or third parties securities lending agent, which parties may be affiliated with the Management Company and/or the Investment Manager to the extent permitted under applicable laws and regulations. Where a Fund uses OTC Derivatives, these may include total return swaps.

- 2.15 Subject to the Fund's Investment Objective and Investment Policy and subject to this section "Investment Restrictions and Powers", total return swaps may be used by a Fund to gain exposure on a total return basis to any asset that the Fund is otherwise permitted to gain exposure to, including transferable securities, approved money-market instruments, collective investment scheme units, derivative instruments, financial indices, foreign exchange rates and currencies.

Units of open-ended funds

- 2.16 Unless otherwise provided in a Fund's Supplement, a Fund may not invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs. If a Fund is authorised to invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs, the investment in the units of a single other UCITS or a single other UCI may however not exceed 20% of the relevant Fund's net assets. For the purpose of the application of this investment limit, each portfolio of a UCITS or other UCI with multiple portfolios within the meaning of article 181 of the UCI Law is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various portfolios vis-à-vis third parties is ensured.
- 2.17 When a Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Fund's investment in the units of such other UCITS and/or other UCIs.
- 2.18 When the underlying collective investment scheme is also managed by the Management Company (or an associate), the Management Company will reduce its Annual Management Charge and Administration Charge by the amount of any equivalent charge that has been taken on the underlying collective investment schemes and no initial or redemption charge will apply at the level of the underlying collective investment scheme to avoid any double charge. In its annual report, the Company shall indicate the maximum proportion of management fees charged both to the Fund itself and to the UCITS and/or other UCIs in which it invests.
- 2.19 Notwithstanding the above restrictions, a Fund (the "Investing Fund") may subscribe and/or hold units issued by one or more other Funds (each a "Second Fund"), provided that:
- A The Second Fund does not, in turn, invest in or hold units in the Investing Fund; and
 - B No more than 10% of the assets of the Second Fund may (according to its investment policy) be invested in units of other UCITS or UCIs; and
 - C The Investing Fund may not invest more than 20% of its Net Asset Value in units of a single Second Fund; and
 - D Voting rights, if any, attaching to the units of the Second Fund are suspended for as long as they are held by the Investing Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
 - E For as long as these units are held by the Investing Fund, their value will not be taken into account for the calculation of the Net Asset Value of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law; and
 - F There is no duplication of management, subscription or redemption fees between those at the level of the Investing Fund and those at the level of the Second Fund.

Master-feeder structure

- 2.20 Each Fund may act as a feeder fund (the "Feeder") of a master fund. In such case, the relevant Fund shall invest at least 85% of its assets in shares/units of another UCITS or of a sub-fund of such UCITS (the "Master"), which is not itself a Feeder nor holds units/shares of a Feeder. The Fund, as Feeder, may not invest more than 15% of its assets in one or more of the following:
- A Ancillary liquid assets in accordance with Article 41 second indent of second paragraph of the UCI Law;

- B Derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 first indent, point g) and Article 42 second and third indents of the UCI Law;
 - C Movable and immovable property which is essential for the direct pursuit of the Company's business.
- 2.21 When a Fund invests in the shares/units of a Master which is managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Fund's investment in the shares/units of the Master.
- 2.22 A Feeder Fund that invests into a Master shall disclose in the relevant Fund's part of this Prospectus the maximum level of the management fees that may be charged both to the Feeder Fund itself and to the Master in which it intends to invest. In its annual report, the Company shall indicate the maximum proportion of management fees charged both to the Fund itself and to the Master. The Master shall not charge subscription or redemption fees for the investment of the Feeder into its shares/units or the disinvestment thereof.

Combined limits

- 2.23 Notwithstanding the individual limits laid down in 2.3, 2.10 and 2.11 above, a Fund shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following:
- A Investments in Transferable Securities or Money Market Instruments issued by that body;
 - B Deposits made with that body; and/or
 - C Exposures arising from OTC Derivatives undertaken with that body and securities financing transactions and efficient portfolio management techniques.
- 2.24 The limits set out in 2.3, 2.5, 2.6, 2.10, 2.11 and 2.20 above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with 2.3, 2.5, 2.6, 2.10, 2.11 and 2.20 above may not exceed a total of 35% of the net assets of each Fund.
- 2.25 The Company may not acquire such amount of shares carrying voting rights which would enable the Company to exercise legal or management control or to exercise a significant influence over the management of the issuer.
- 2.26 The Company may acquire no more than (i) 10% of the outstanding non-voting shares of the same issuer; (ii) 10% of the outstanding debt securities of the same issuer; (iii) 10% of the Money Market Instruments of any single issuer; or (iv) 25% of the outstanding shares or units of the same UCITS or other UCI.

The limits set forth in (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

- 2.27 The limits set forth above under 2.22 and 2.23 do not apply in respect of:
- A Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
 - B Transferable Securities and Money Market Instruments issued or guaranteed by any Non-Member State;
 - C Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);
 - D Shares in the capital of a company which is incorporated under or organised pursuant to the laws of a state which is not a Member State provided that (i) such company invests its assets principally in securities issued by issuers having their registered office in that state, (ii) pursuant to the laws of that State a participation by the relevant Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that state, and (iii) such company observes in its investments policy the restrictions set forth under 2.3, 2.7, 2.10, 2.11 and 2.14 to 2.23; or

- E Shares held by one or more Funds in the capital of subsidiary companies which carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of shares at the request of Shareholders exclusively on its or their behalf.

3 Global exposure

The global exposure relating to financial derivative instruments may be calculated through the commitment approach or VaR methodology.

3.1 Commitment approach

Unless otherwise disclosed in the relevant Fund Supplement, each Fund shall employ a commitment approach in determining its global exposure to derivative instruments and will ensure that such global exposure does not exceed the limits as set out in the CSSF Circular 11/512 of 30 May 2011, as may be amended or restated from time to time.

3.2 VaR methodology

If stated in the relevant Fund Supplement, the Fund shall employ a Value-at-Risk ("VaR") model in determining its global exposure to derivative instruments and will ensure that such global exposure does not exceed the limits as set out in the CSSF Circular 11/512 of 30 May 2011, as may be amended or restated from time to time.

VaR is a means of measuring the potential loss to a Fund due to market risk and is expressed as the maximum potential loss, under normal market conditions, measured at a 99% confidence level over a one-month time horizon. The holding period for the purpose of calculating global exposure, is one month.

Funds using the VaR approach are required under the CESR Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS (CESR/10-788) to disclose their expected average level of leverage which is stated in the relevant Fund Supplement of this Prospectus. For the avoidance of doubt, derivative instruments used for efficient portfolio management (including to hedge a position) will also form part of the above leverage calculation.

The expected average level of leverage disclosed for each Fund is an indicative level and is not a regulatory limit. The Fund's actual level of leverage might significantly exceed the expected average level from time to time, however the use of derivative instruments will remain consistent with the Fund's investment objective and risk profile and comply with its VaR limit.

Shareholders should note that the market risk of the Fund will be monitored using the VaR approach within the limits of relevant European and/or Luxembourg applicable laws and/or regulations and the VaR approach will be published in the audited annual report.

Shareholders' attention is drawn to the fact that the use of such methodology may result in a high level of leverage which does not necessarily reflect the actual level of risk of the portfolio.

In this context leverage is a measure of the aggregate derivative usage and is calculated as the sum of the notional exposure of the derivative instruments used and does not reflect the Fund's netting or hedging arrangements. Some of these instruments may actually reduce the risk within the Fund, consequently, the ratio indicated in the Fund Supplement does not necessarily indicate increased levels of risk within the relevant Fund. In addition, the ratio disclosed in the Fund Supplement is increased when the Fund replaces or 'rolls' its currency positions over a short period and so does not necessarily indicate any increased level of risk within the Fund.

There are two forms of VaR approaches, absolute and relative, which are described below:

Risk Monitoring Approach	Description
Absolute Value at Risk (Absolute VaR)	A Fund seeks to estimate the potential loss it could experience in a month (20 trading days) under normal market conditions. The requirement is that, 99% of the time, such Fund's worst outcome is no worse than a 20% decline in NAV.
Relative Value at Risk (Relative VaR)	The relative VaR of a Fund is expressed as a multiple of a benchmark or reference portfolio and cannot, under the same circumstances as above, exceed twice the VaR of the relevant benchmark or reference portfolio.

When a Fund invests in index-based derivative instruments, these investments do not have to be combined to the limits laid down in the section "Investment Restrictions and Powers".

When a Transferable Security or Money Market Instrument embeds a derivative instrument, the latter must be taken into account when complying with the requirements of this section.

4 Additional investment restrictions

- 4.1 No Fund may acquire commodities or precious metals or certificates representative thereof, provided that transactions in foreign currencies, financial instruments, indices or Transferable Securities as well as futures and forward contracts, Options and Swaps thereon are not considered to be transactions in commodities for the purposes of this restriction.
- 4.2 No Fund may invest in real estate or any option, right or interest therein provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- 4.3 The investment policy of a Fund may replicate the composition of an index of securities or debt securities, in compliance with applicable laws and regulations, in particular, the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the UCI Law and implementing the UCITS Directive and ESMA Guidelines 2014/937.
- 4.4 A Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Fund from investing in Transferable Securities which are not fully paid-up, Money Market Instruments or other financial instruments, as mentioned in 1.5, 1.7 and 1.8 above and shall not prevent the lending of securities in accordance with applicable laws and regulations (as described further in 'Securities Lending' below).
- 4.5 The Company may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed in 1.5, 1.7 and 1.8 above.
- 4.6 The ceilings set forth above may be disregarded by each Fund when exercising subscription rights attaching to securities in such Fund's portfolio. While ensuring observance of the principle of risk-spreading, newly authorised Funds may derogate from Articles 43, 44, 45 and 46 of the 2010 Law for six months following their launch date. Within six months following their launch date, each Fund may also temporarily derogate from the investment restrictions set out in its investment policy until the fifteenth Business Day following the date that the Fund receives an expected large subscription which represents more than 50% of the relevant Fund's total net assets.

If such ceilings are exceeded for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, such Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its shareholders.

4.7 Investment Restrictions Applying to Cluster Ammunitions

On 1 August 2010, the Oslo Convention on Cluster Munitions, which was implemented into Luxembourg regulation by a law dated 4 June 2009, entered into force.

The Management Company will take steps to ensure that the Company will not invest in securities issued by companies that have been identified by independent third party providers as being involved in the manufacture, production or supply of cluster munitions.

Further details on the policy adopted to comply with the abovementioned Luxembourg law are available from the Management Company on request.

4.8 Investment Restrictions Applying to Thermal Coal

Since 27 April 2022 (the “Effective Date”), all Funds in the Company are subject to the M&G Investments Thermal Coal Investment Policy (the “Coal Policy”) available on the M&G website.

The Funds will be subject to additional investment restrictions commencing on 31 October 2022 and 31 October 2024 as further described below.

The Investment Manager will continue its engagement with companies involved in thermal coal activities (the extraction of, or power generation from, thermal coal, and related sectors), as further explained in the Coal Policy.

This engagement will involve encouraging such companies to adopt plans to transition away from thermal coal, which are credible in the opinion of the Investment Manager (“Credible Transition Plans”), by:

- 2030 for companies in, or conducting thermal coal activities in, a Member State of the OECD and/or the EU; and
- 2040 for companies in, or conducting thermal coal activities in, other countries.

Companies that have not adopted Credible Transition Plans by 31 October 2022 (for companies in, or conducting thermal coal activities in, a Member State of the OECD and/or the EU) or 31 October 2024 (for companies in, or conducting thermal coal activities in, other countries) shall be excluded from direct investment by the Funds (“Excluded Companies”). Accordingly the Funds shall be subject to additional investment restrictions from 31 October 2022 and 31 October 2024 to give effect to the abovementioned exclusions. These investment restrictions consist of data points which are defined in the Coal Policy and which will enable the Investment Manager to assess whether or not a company is sufficiently engaged in the energy transition to remain an eligible investment for the relevant Fund.

Excluded Companies to be sold by the Funds may be subject to liquidity constraints or lower liquidity in difficult market conditions, which may result in the Investment Manager having to sell investments in Excluded Companies at an unfavourable time and/or under adverse market conditions. This may have a negative impact on the value of the Funds, and/or result in a small number of Excluded Companies still being held by the Funds after 31 October 2022 (for companies in, or conducting thermal coal activities in, a Member State of the OECD and/or the EU) or 31 October 2024 (for companies in, or conducting thermal coal activities in, other countries). The fund managers will, however, seek to sell investment in Excluded Companies as soon as practicable after these dates should this be required.

While engagement will be co-ordinated centrally to maximise M&G’s influence, the fund manager(s) of each Fund will retain discretion as to whether they begin to sell holdings in each Fund prior to the additional investment restrictions coming into force. Each Fund may therefore commence sale of Excluded Companies from the Effective Date.

Any change to any of the effective dates of the Coal Policy investment restrictions described above to a later date determined by the Board would be communicated to Shareholders.

- 4.9 The Directors have the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares of the Company are offered or sold.

5 Type of derivative instruments

When specified in the relevant Fund Supplement, a Fund may use derivative instruments to meet the Fund's investment objective and for efficient portfolio management.

The derivative instruments are the following:

- **Spot and forward contracts** (including forward foreign exchange contracts) are bespoke agreements to buy or sell currencies, shares, bonds or interest rates at a specified price immediately or at a future date;
- **Exchange traded futures** are standard agreements relating to underlying instruments such as currencies, shares, bonds, interest rates and indices at a future date on a Regulated Market
- **Swaps** are agreements which involve exchanging cash flows from investments with another party, including fixed or index-linked interest rate swaps, equity, bonds, currency, or other asset swaps;
- **Credit default swaps** are agreements which exchange the credit risk between parties. For example, these instruments can be used to protect the Fund against potential defaults of companies, group of companies or governments. These swaps can be 'single name' where the credit risk relates to a bond of a particular issuer or 'index' where the underlying asset is an index of bonds from different issuers;
- **Total return swaps** are agreements in which one party (total return payer) transfers the total economic performance of a reference obligation, which may for example be a share, bond or index, to the other party (total return receiver). The total return receiver must in turn pay the total return payer any reduction in the value of the reference obligation and possibly certain other cash flows. Total economic performance includes income from interest and fees, gains or losses from market movement, and credit losses.

A Fund may use a Total Return Swap to gain exposure to an asset (or other reference obligation), which it does not wish to buy and hold itself, or otherwise to make a profit or avoid a loss.

The conditions under which a Total Return Swap may be used are described below in section 6.4. "Transparency of securities financing transactions and of reuse (SFTR)".

- **Interest rate swaps** provide for an exchange between two parties of interest rate exposures from floating to fixed rate or vice versa. Each party thereby gains indirect access to the fixed or floating capital markets;
- **Currency swaps** are bilateral financial contracts to exchange the principal and interest in one currency for the same in another currency in order to hedge specific currency risk;
- **Credit linked notes** are structured notes that enable access to local or external assets which are otherwise inaccessible to the Fund. Credit linked notes are issued by highly rated financial institutions;
- **Options** offer the right to buy or sell an asset at an agreed price and time and can be on shares, bonds, bond futures, currencies, or indices.

6 Efficient portfolio management techniques and instruments

6.1 General

When specified in the relevant Fund Supplement, a Fund may employ techniques and instruments including securities financing transactions relating to Transferable Securities, Money Market Instruments and other financial liquid assets for efficient portfolio management purposes which include hedging or other risk management purposes.

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down above. Under no circumstances shall these operations cause a Fund to diverge from its investment objectives as set out in the relevant Fund Supplement.

6.2 Repurchase agreements and reverse repurchase agreements

A Fund may enter into repurchase agreement and reverse repurchase agreement transactions which consist of the purchase and sale of securities whereby the seller has the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

Under a repurchase agreement, one party sells securities (such as shares or bonds) to another party at one price at the start of the trade and at the same time agrees to repurchase (buy back) the asset from the original buyer at a different price at a future date or on demand. The term 'reverse repurchase contract' describes the same contract from the perspective of the buyer.

A Fund may act as buyer or seller under a repurchase agreement. The types of assets that can be subject to a repurchase agreement are securities (both bonds and shares).

A Fund can act either as purchaser or seller in repurchase agreement and reverse repurchase agreement transactions or a series of continuing repurchase and reverse repurchase transactions. Its involvement in such transactions is, however, subject to the following rules:

- A A Fund may not buy or sell securities using a repurchase agreement or reverse repurchase agreement transaction unless the counterparty is an eligible counterparty as provided by the applicable laws and regulations and is permitted by the CSSF.
- B As a Fund is exposed to redemptions of its own Shares, it must take care to ensure that the level of its exposure to repurchase agreement and reverse repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of the Company's assets in accordance with its investment policy.
- C A Fund that enters into a repurchase or reverse repurchase agreement must ensure that it is able at any time to terminate the repurchase or reverse repurchase agreement, as applicable, or recall any securities or the full amount of cash subject to the repurchase or reverse repurchase agreement respectively, unless the agreement is entered into for a fixed term not exceeding seven days.

The Company does not currently engage in repurchase agreements and reverse repurchase transactions and this Prospectus will be amended before it may do so.

6.3 Securities lending

The Company may engage in securities lending transactions either directly or through a standardised lending system organised by a recognised clearing institution or by a financial institution specialising in this type of transaction and subject to prudential supervision rules which are considered by the CSSF as equivalent to those provided by EU law, in exchange for a securities lending fee.

A securities lending transaction is similar to a repurchase contract. The lender transfers ownership of an asset to a third party (the borrower), who pays a fee to the lender for the use of the loaned asset and agrees to return the securities at the end of the transaction. Even though the parties are called lender and borrower, actual ownership of the assets is transferred. A Fund may act as lender or borrower under a stock lending transaction. The types of assets that can be subject to a securities lending transaction are securities (both bonds and shares).

A Fund that enters into a securities lending agreement must ensure that it is able at any time to terminate the agreement or recall the securities that have been lent out.

The Company does not currently engage in securities lending transactions and this Prospectus will be amended before it may do so.

6.4 Transparency of Securities Financing Transactions and of Reuse (SFTR)

General description of total return swaps and the rationale of their use

In order to achieve an optimum return from capital invested, while reducing investment risk through diversification, the Company may enter into total return swaps only. In accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse (the "SFTR"), this Prospectus contains a general description of the total return swaps used and more details may be found under each Fund Supplement.

None of the Funds currently makes use of securities financing transactions within the meaning of the SFTR (i.e. repurchase transactions, securities or commodities lending or borrowing, buy-sell back or sell-buy back transactions and margin lending transactions) and this Prospectus will be amended before they may do so.

The Funds may enter into total return swaps for investment purposes, in order to meet their investment objectives as well as for efficient portfolio management and hedging as described for each Fund in the section "Fund Supplements". Total return swaps may typically be used when considered by the Investment Manager as appropriate instruments to achieve the desired economic credit market exposure of the relevant Funds. Total return swaps are normally used on a temporary basis only as the use of total return swaps depends on various factors such as market opportunities and conditions, bid-offer spread and pricing and liquidity compared to other instruments.

A Total return swap is an agreement between two counterparties to swap the total return on an asset (the capital gain plus any income the asset generates) in return for payments based on a fixed or variable rate. As an unfunded transaction, the fixed or variable rate will have an additional spread to reflect the cost of funding using the balance sheet of the counterparty. This simulates the purchase or sale of an instrument with 100% financing.

Total return swaps will not be cleared.

100% of the revenues arising from the use of total return swaps will be paid to the relevant Funds.

Use of total return swaps per Fund

The following Funds may enter into total return swaps on bond indices, leveraged loan indices and baskets of bonds.

- M&G (Lux) Emerging Markets Bond Fund
- M&G (Lux) Emerging Markets Hard Currency Bond Fund
- M&G (Lux) Euro Corporate Bond Fund
- M&G (Lux) European Inflation Linked Corporate Bond Fund
- M&G (Lux) Global Credit Investment Fund
- M&G (Lux) Global Floating Rate High Yield Fund
- M&G (Lux) Global High Yield Bond Fund
- M&G (Lux) Sustainable Global High Yield Bond
- M&G (Lux) Global Macro Bond Fund
- M&G (Lux) Optimal Income Fund
- M&G (Lux) responsAbility Sustainable Solutions Bond Fund
- M&G (Lux) Short Dated Corporate Bond Fund
- M&G (Lux) US Corporate Bond Fund
- M&G (Lux) US High Yield Bond Fund

Generally this will be to hedge or add credit market exposure. The use of total return swaps for this purpose is primarily to provide a more precise hedge or closer match to the desired credit market exposure than could be achieved by using different instruments, for example credit default swap index positions. An example of this would be where the Fund may add credit risk exposure by paying a fixed or floating rate payment, in return for receipt of the total return of a leveraged loan index.

An overview of the usage is set out below:

Total return swaps	Underlying assets	Rationales
Bond index	Bond index (single bonds)	Reduce (hedge) credit market risk
		Add credit market risk
Leveraged loan index (diversified, no look through)	Leveraged loan index (single loans)	Reduce (hedge) credit market risk
		Add credit market risk
Bond basket	Single bonds	Reduce (hedge) credit risk exposure to specific basket of bonds
		Add credit risk exposure to specific basket of bonds

Generally this will be to hedge or add credit market exposure. The use of total return swaps for this purpose is primarily to provide a more precise hedge or closer match to the desired credit market exposure than could be achieved by using different instruments, for example CDS index positions. An example of this would be where the Fund may hedge credit risk exposure by paying the total return of a basket of bonds, in return for receipt of a fixed or floating rate payment.

The use of total return swaps is primarily to facilitate an investment (long or short) where there is no available listed instrument, such as a future or ETF.

An overview of the usage is set out below:

Total return swaps	Underlying assets	Rationales
Bond index	Bond index (single bonds)	Reduce (hedge) credit market risk
		Add credit market risk
Bond sector or bond basket	Bond sectors (single bonds)	Reduce (hedge) credit risk exposure
		Add credit risk exposure
Individual bond or government bond	Single bonds	Reduce (hedge) credit risk exposure to specific issuer
		Add credit risk exposure to specific issuer

The following Funds may enter into total return swaps on baskets of equities, equity indices, equity sectors or equity ETFs, and baskets of bond, individual government bonds, bond indices or bond ETFs.

- M&G (Lux) Dynamic Allocation Fund
- M&G (Lux) Episode Macro Fund
- M&G (Lux) Global Target Return Fund
- M&G (Lux) Income Allocation Fund
- M&G (Lux) Sustainable Allocation Fund
- M&G (Lux) Sustainable Multi Asset Growth Fund

Generally this will be used to gain exposure (long or short) to a number of underlying assets, typically, bespoke baskets of equities, bespoke baskets of bonds, equity sectors, equity and bond indices, and equity and bond ETFs (such as regions). The use of total return swaps is primarily to facilitate an investment (long or short) where there is no other available instrument, such as a future or ETF.

An overview of the usage is set out below:

Total return swaps	Underlying assets	Rationales
Equity basket	Single shares	Desire to short a basket of single shares
		Long position in a large basket of single shares
Equity sector	Equity sector (single shares)	Sector position with capped positions in large single shares
		Short position in an equity sector
Equity index	Equity index (single shares)	Long/short position in an equity index where no future is available
Equity ETF	Equity ETF (single shares)	Long/short position in an equity ETF where no future is available
Bond basket	Single bonds	Shorting a basket of single bonds
Individual government bond	Single bonds	Long / short position on a government bond with no liquid future
Bond index	Bond index (single bonds)	Reduce (hedge) credit market risk
		Add credit market risk
Bond ETF	Bond ETF (single bonds)	Long/short position in a bond ETF where no future is available

Maximum permitted and expected use of total return swaps per Fund

The assets of the following Funds may be subject to total return swaps under the proportions disclosed in the table below:

- M&G (Lux) Dynamic Allocation Fund
- M&G (Lux) Emerging Markets Bond Fund
- M&G (Lux) Emerging Markets Hard Currency Bond Fund
- M&G (Lux) Episode Macro Fund
- M&G (Lux) Euro Corporate Bond Fund
- M&G (Lux) European Inflation Linked Corporate Bond Fund
- M&G (Lux) Global Credit Investment Fund
- M&G (Lux) Global Floating Rate High Yield Fund
- M&G (Lux) Global High Yield Bond Fund
- M&G (Lux) Sustainable Global High Yield Bond Fund
- M&G (Lux) Global Macro Bond Fund
- M&G (Lux) Global Target Return Fund
- M&G (Lux) Income Allocation Fund
- M&G (Lux) Optimal Income Fund
- M&G (Lux) responsAbility Sustainable Solutions Bond Fund
- M&G (Lux) Short Dated Corporate Bond Fund
- M&G (Lux) Sustainable Allocation Fund
- M&G (Lux) Sustainable Multi Asset Growth Fund
- M&G (Lux) US Corporate Bond Fund
- M&G (Lux) US High Yield Bond Fund

	Maximum proportion of Net Asset Value	Expected proportion of Net Asset Value
Total return swaps	50%	25%

Counterparties

Counterparties must be approved by the Management Company or the Investment Manager before serving as such for the Company.

To be approved a counterparty must be:

- subject to a due diligence of its intended activities, which can include in accordance with the procedure for approving new counterparties, an analysis of such aspects as company management, liquidity, profitability, corporate structure, capital adequacy and asset quality, as well as the regulatory framework in the relevant jurisdiction; and
- assessed creditworthy by the Management Company or the Investment Manager.

While there are no predetermined criteria applied to the counterparty selection process, the following elements are typically taken into account:

- comply with relevant CSSF circulars;
- comply with prudential rules considered by the CSSF as equivalent to EU prudential rules;
- typically have a public credit rating of at least BBB-; and
- typically are credit institutions or investment firms established in a member state of the European Union.

No counterparty to a Fund derivative can serve as an Investment Manager of a Fund or otherwise have any discretion over the composition or management of a Fund's investments or transactions or over the underlying assets of a derivative instrument.

With respect to the counterparty, the total return swaps will be unfunded as the notional value of the Total Return Swap is not exchanged with the counterparty at initiation.

Acceptable collateral

Accepted collateral	Type of assets	Issuer	Maturity	Liquidity ²	Collateral diversification	Correlation policies
Government bonds	Bonds	National governments of countries in the EEA, the United States or the United Kingdom	0-20+ years	Haircut of 0%-5% will be applied.	National governments of countries in the EEA, the United States or the United Kingdom	Not applicable
Supra-national bonds	Bonds	International organisations, often multinational or quasi-government organisations, with a purpose of promoting economic development	0-20+ years	Haircut of 0%-5% will be applied.	International organisations, often multinational or quasi-government organisations, with a purpose of promoting economic development	Not applicable
Corporate bonds	Bonds	Corporation which are rated above investment grade by a recognised rating agency (that is, rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's)	0-20 years	Haircut of 3%-15% will be applied.	Corporations which are rated above investment grade by a recognised rating agency (that is, rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's)	Bonds of the same issuer as the counterparty or the Management Company or Investment Manager, or related securities, are not acceptable.
Cash	Cash	GBP, Euro or US Dollar	Not applicable	Generally the most liquid and haircuts not normally applied.	GBP, Euro or US Dollar	Not applicable

Collateral valuation and reuse of collateral

As part of these transactions, the Company will receive collateral of high quality to be given in the form and nature as detailed in the sub-section 6.6 headed "Collateral Policy for OTC Derivatives and for efficient portfolio management techniques (including securities financing transactions)" below.

Collateral may not be reused.

Risk management

Information may be found under sub-sections headed "Swap Agreements" and "Collateral" above.

Safekeeping

The assets subject to total return swaps and collateral received are safe-kept with the Depositary or third party depositary with which the Depositary has entered into an agreement to secure its depositary obligations, as appropriate.

² Liquidity is a factor of the underlying issuer and market conditions at the time. Additional haircuts are applied to account for liquidity, price volatility and credit quality of the issuers.

Return generated by total return swaps

In case there are revenues arising from the total return swaps, they shall be returned to the Company following the deduction of any costs and fees.

6.5 Fees and costs arising from efficient portfolio management techniques including securities financing transactions

Each Fund may incur costs and fees in connection with efficient portfolio management techniques including securities financing transactions.

In particular a Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary and the Investment Manager to the extent permitted under applicable laws and regulations, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable.

Information on direct and indirect operational costs and fees incurred by each Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary or the Investment Manager, if applicable, will be made available in the annual report.

All revenues arising from efficient portfolio management techniques (including securities financing transactions), not of direct and indirect operational costs and fees, will be returned to the Fund.

6.6 Collateral policy for OTC Derivatives and for efficient portfolio management techniques (including securities financing transactions)

Risk exposure to a counterparty to OTC Derivatives and/or efficient portfolio management techniques (including securities financing transactions) will take into account collateral provided by the counterparty in the form of assets eligible as collateral under applicable laws and regulations, as summarised in this section. All assets received by the Company on behalf of a Fund in the context of efficient portfolio management techniques (including securities financing transactions) are considered as collateral for the purpose of this section.

Where the Company on behalf of a Fund enters into OTC Derivatives and/or efficient portfolio management techniques (including securities financing transactions), all collateral received by the Fund must comply with the criteria listed in ESMA Guidelines 2014/937 in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability.

The maximum exposure of a Fund to any given issuer included in the basket of collateral received is limited to 20% of the Net Asset Value of the Fund. Reinvested cash collateral will be diversified in accordance with this requirement.

Permitted types of collateral include cash, government bonds and corporate bonds to the extent that collateral used is in line with the criteria listed under Article 43 of the ESMA Guidelines 2014/937.

In respect of any Fund which has entered into OTC Derivatives and/or efficient portfolio management techniques, investors (including securities financing transactions) in such Fund may obtain free of charge, on request, a copy of the report detailing the composition of the collateral at any time from the Management Company.

The Company will determine the required level of collateral for OTC Derivatives and efficient portfolio management techniques (including securities financing transactions) by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Company for each asset class based on its haircut policy. Generally, securities collateral will be valued at bid price on a daily basis because this is the price that would be obtained if the Fund were to sell the securities following a counterparty default. However, mid-market prices may be used where this is the market practice for the relevant transaction. Subject to any minimum transfer amount

and/or unsecured threshold amount (below which collateral is not provided), where required, variation margin is generally transferred on a daily basis in respect of any net exposure between a Fund and its counterparty.

Where there is a title transfer, collateral received will be held by the Depositary (or a sub-custodian thereof) on behalf of the Company. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Non-cash collateral received cannot be sold, reinvested or pledged.

Cash collateral received can only be:

- placed on deposit with eligible credit institutions;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis; or
- invested in eligible short-term money market funds.

A Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Fund to the counterparty at the conclusion of the transaction. The Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Fund.

The above provisions apply subject to any further guidelines issued from time to time by ESMA amending and/or supplementing ESMA Guidelines 2014/937 and/or any additional guidance issued from time to time by the CSSF in relation to the above.

Risk management process

In accordance with the UCI Law and CSSF circular 11/512, the Management Company must employ a risk management process which enables it to monitor and measure at any time the risk of the positions in the Funds' portfolios and their contribution to the overall risk profile of these portfolios.

The Management Company has accordingly implemented a risk management process which will be followed in relation to the Company and each Fund. The risk management process enables the Management Company to assess the exposure of the Funds to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for each Fund. The directors of the Management Company will review such risk management process at least annually.

The Fund employs a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each individual Fund. Furthermore, the Fund employs a process for accurate and independent assessment of the value of OTC derivative instruments which is communicated to the CSSF on a regular basis in accordance with Luxembourg Law.

Upon request of investors, the Management Company will provide supplementary information relating to the risk management process.

LIQUIDITY RISK MANAGEMENT PROCESS

The Management Company has established, implemented and consistently applies a liquidity risk management process and has put in place prudent and rigorous liquidity management procedures. It enables the Management Company to monitor the Funds' liquidity risks and to ensure compliance with internal liquidity thresholds

Qualitative and quantitative measures are used to monitor portfolios and securities to ensure investment portfolios are appropriately liquid and that Funds are able to meet Shareholders' redemption requests and other liabilities in varied market conditions. In addition, Shareholders' concentrations are also regularly reviewed to assess their potential impact on the liquidity of the Funds. Funds are reviewed individually with respect to liquidity risks.

The Management Company's liquidity management procedures take into account the Funds' investment strategy, their dealing frequency, the underlying assets' liquidity (and their valuation) and Shareholder base.

The liquidity risks are further described in the section "Risk Factors".

The Management Company may also make use, among other, of the following liquidity management tools to manage liquidity risk:

- Suspension of the redemption of Shares in certain circumstances as described in the section "Suspension of the Determination of the Net Asset Value".
- Deferral of redemptions at a particular Valuation Day to the next Valuation Day where redemptions exceed 10% of a Fund's Net Asset Value, see sub-section "Deferred redemptions" in section "Redemptions".
- In its sole discretion, acceptance of requests from Shareholders for redemption applications to be settled in kind (see sub-section "Redemptions in kind" in section "Redemptions").
- Application of swing pricing or dilution levy adjustments, as further detailed in section "Swing Pricing and Dilution Levy".

Shareholders that wish to assess the underlying assets' liquidity risk for themselves should note that the Funds complete portfolio holdings are indicated in the latest annual or semi-annual report as described in section "Important Information for Investors".

Share Class details

Within each Fund, the Management Company can create and issue Share Classes with various characteristics and investor eligibility requirements.

As at the date of this Prospectus, the Share Classes set out below may be made available to investors. The availability of any Share Class detailed below may differ from Fund to Fund.

Successive Share Classes may be issued in each Fund (e.g. for different countries of distribution or for different distributors), numbered 2, 3, etc. and named with the Share Class letter with the corresponding series number afterwards respectively.

For information on the Share classes currently being issued for each Fund, please refer to the [M&G website](#).

Shareholders may also request the information from the Company's registered office or the local sales office, the Management Company (and Global Distributor) or the Registrar and Transfer Agent.

Each Share Class is identifiable by an International Securities Identification Number (ISIN).

The Board of Directors and/or the Management Company, may at any time decide to issue further Share Classes in each Fund.

Investors should read the sub-section "Share Class Specific Risks" in the section "Risk Factors" before subscribing for Shares.

Share classes definitions

Class	Eligible Investors	Minimum investment and holding amounts		
		Initial investment	Additional Investment	Holding amount
Class A	Available to distributors, platforms and other intermediaries who meet the eligibility and minimum investment criteria.	EUR 1,000	EUR 75	EUR 1,000
Class A2	Available, with prior agreement of the Management Company, in certain limited circumstances: <ul style="list-style-type: none">• for distribution in certain countries; and• through certain distributors.	EUR 500,000	EUR 75	EUR 1,000
Class B	Available for subscription only through a distribution channel approved by the Management Company or an affiliate of the Management Company.	EUR 1,000	EUR 75	EUR 1,000

Class	Eligible Investors	Minimum investment and holding amounts		
		Initial investment	Additional Investment	Holding amount
Class C	<p>Available to:</p> <ul style="list-style-type: none"> Eligible Counterparties, within the meaning of article 30 of MiFID, investing for their own account. Other collective investment schemes. Distributors, platforms and other intermediaries who operate (i) fee based arrangements with their clients to provide advisory or discretionary portfolio management services, or (ii) other individual fee arrangements with their clients, and do not receive any fee rebates from the Management Company. For these clients, minimum subscription limits will not be applied. Companies which the Management Company deems to be associate companies and other investors which have an agreement with the Management Company. 	EUR 500,000	EUR 50,000	EUR 500,000
Class CI	Available to Institutional Investors.	EUR 500,000	EUR 50,000	EUR 500,000
Class E	<p>Available to certain investors, approved by the Management Company, who:</p> <ul style="list-style-type: none"> subscribe within a certain period of the launch date of the Fund; and meet the minimum investment criteria <p>Offered for a restricted time only and may be at a reduced Annual Management Charge.</p> <p>Closed to subscriptions at the end of the offering period. Any investors who have acquired access to this Share Class can make no further investments in this Share Class after the offering period has passed.</p>	EUR 20,000,000	EUR 50,000	EUR 20,000,000
Class EI	<p>Available to Institutional Investors who:</p> <ul style="list-style-type: none"> are approved by the Management Company; and subscribe within a certain period of the launch date of the Fund; and meet the minimum investment criteria <p>Offered for a restricted time only and may be at a reduced Annual Management Charge.</p> <p>Closed to subscriptions at the end of the offering period. Any investors who have acquired access to this Share Class can make no further investments in this Share Class after the offering period has passed.</p>	EUR 20,000,000	EUR 50,000	EUR 20,000,000
Class G	<p>Available with the prior written agreement of the Management Company.</p> <p>Where Class G Shares are held via an Intermediate Shareholder, the client of the Intermediate Shareholder must have such a written agreement in place with the Management Company.</p>	EUR 200,000,000	EUR 50,000	EUR 200,000,000

Class	Eligible Investors	Minimum investment and holding amounts		
		Initial investment	Additional Investment	Holding amount
Class GI	<p>Available to Institutional Investors with the prior written agreement of the Management Company.</p> <p>Where Class GI Shares are held via an Intermediate Shareholder, the client of the Intermediate Shareholder must have such a written agreement in place with the Management Company.</p>	EUR 200,000,000	EUR 50,000	EUR 200,000,000
Class J	<p>Available to:</p> <ul style="list-style-type: none"> Eligible Counterparties within the meaning of article 30 of MiFID, investing for their own account. Other collective investment schemes. Distributors or other intermediaries, who operate (i) fee based arrangements with their clients to provide advisory or discretionary portfolio management services, or (ii) other individual fee arrangements with their clients, and do not receive any fee rebates from the Management Company. Companies which the Management Company deems to be associate companies and other investors which have an agreement with the Management Company. <p>The Management Company shall not pay any fee rebates on the Class J Shares to investors.</p> <p>Such investors will only be able to invest in Class J Shares if they:</p> <ul style="list-style-type: none"> have entered into a specific prior written agreement with the Management Company (where the Class J Shares are held via an Intermediate Shareholder, the end investor must have entered into such agreement with the Management Company); and have a significant investment in the relevant Fund as determined on a case-to-case basis by the Management Company. <p>Where an investor's assets in Share Class J fall below a level of significance determined solely by the Management Company, the Management Company may then reject any new subscriptions in the Class J Shares.</p>	EUR 200,000,000	EUR 50,000	EUR 200,000,000

Class	Eligible Investors	Minimum investment and holding amounts		
		Initial investment	Additional Investment	Holding amount
Class JI	<p>Available to Institutional Investors who:</p> <ul style="list-style-type: none"> have entered into a specific prior written agreement with the Management Company (where the Class JI shares are held via an Intermediate Shareholder, the end investor must have entered such agreement with the Management Company); and have a significant investment in the relevant Fund as determined on a case-to-case basis by the Management Company. <p>Where an Institutional Investor's assets in the Class JI Shares fall below a level of significance determined solely by the Management Company, the Management Company may then reject any new subscriptions in the Class JI Shares.</p>	EUR 200,000,000	EUR 50,000	EUR 200,000,000
Class L	<p>Available to certain investors, approved by the Management Company, who:</p> <ul style="list-style-type: none"> subscribe when the Fund is smaller than €400m in size; and meet the minimum investment criteria <p>Offered only when the Fund is smaller than a certain size, at the sole discretion of the Management Company, and may be at a reduced Annual Management Charge.</p> <p>Any investors who have acquired access to this Share Class can continue investing in this Share Class even after the Fund size stated above has been reached or exceeded.</p> <p>At its absolute discretion, the Management Company may increase the Fund size stated above, below which Class L Shares may be purchased or waive the minimum investment criteria.</p>	EUR 20,000,000	EUR 50,000	EUR 20,000,000
Class LI	<p>Available to certain Institutional Investors, approved by the Management Company, who:</p> <ul style="list-style-type: none"> subscribe when the Fund is smaller than €400m in size; and meet the minimum investment criteria <p>Offered only when the Fund is smaller than a certain size, at the sole discretion of the Management Company, and may be at a reduced Annual Management Charge.</p> <p>Any Institutional Investors who have acquired access to this Share Class can continue investing in this Share Class even after the Fund size stated above has been reached or exceeded.</p> <p>At its absolute discretion, the Management Company may increase the Fund size stated above, below which Class LI Shares may be purchased or waive the minimum investment criteria.</p>	EUR 20,000,000	EUR 50,000	EUR 20,000,000

Class	Eligible Investors	Minimum investment and holding amounts		
		Initial investment	Additional Investment	Holding amount
Class N	Available, with prior agreement of the Management Company, in certain limited circumstances: <ul style="list-style-type: none"> for distribution in certain countries; and through certain distributors. 	EUR 500,000	EUR 75	EUR 1,000
Class P	Available, with prior agreement of the Management Company, in certain limited circumstances: <ul style="list-style-type: none"> for distribution in certain countries; and through certain distributors. 	EUR 1,000	EUR 75	EUR 1,000
Class S	Available to distributors, platforms and other forms of intermediary who meet the eligibility and minimum investment criteria.	EUR 50,000	EUR 5,000	EUR 50,000
Class SI	Available to Institutional Investors.	EUR 50,000	EUR 5,000	EUR 50,000
Class T	Available to: <ul style="list-style-type: none"> Eligible Counterparties, within the meaning of article 30 of MiFID, investing for their own account; and Other collective investment schemes; and Distributors, platforms and other intermediaries who operate (i) fee based arrangements with their clients to provide advisory or discretionary portfolio management services, or (ii) other individual fee arrangements with their clients, and do not receive any fee rebates from the Management Company. For these clients, minimum subscription limits will not be applied; and Companies which the Management Company deems to be associate companies; and Other investors which have an agreement with the Management Company. <p>This Class has a performance fee.</p>	EUR 500,000	EUR 50,000	EUR 500,000
Class TI	Available to Institutional Investors. This Class has a performance fee.	EUR 500,000	EUR 50,000	EUR 500,000
Class U	Available, with prior agreement of the Management Company, in certain limited circumstances: <ul style="list-style-type: none"> for distribution in certain countries; and through certain distributors. distributors, platforms and other intermediaries who operate (i) fee based arrangements with their clients to provide advisory or discretionary portfolio management services, or (ii) other individual fee arrangements with their clients, and do not receive any fee rebates from the Management Company. For these clients, minimum subscription limits will not be applied. 	EUR 500,000	EUR 50,000	EUR 500,000

Class	Eligible Investors	Minimum investment and holding amounts		
		Initial investment	Additional Investment	Holding amount
Class UI	Available to Institutional Investors, with prior agreement of the Management Company, in certain limited circumstances: <ul style="list-style-type: none"> for distribution in certain countries; and through certain distributors. 	EUR 500,000	EUR 50,000	EUR 500,000
Class V	Available, with prior agreement of the Management Company, in certain limited circumstances: <ul style="list-style-type: none"> for distribution in certain countries; and through certain distributors. <p>Offered for a restricted time only at the sole discretion of the Management Company and may be at a reduced Annual Management Charge.</p> <p>Closed to subscriptions at the end of the offering period as defined in the Fund Supplement. Any investors who have acquired access to this Share Class can make no further investments in this Share Class after the offering period has passed.</p> <p>Class V Shares are automatically switched free of charge for Shares in Class A of the relevant Fund on the date specified in the Fund Supplement.</p> <p>Further information is set out below in the section "Class V Shares".</p>	EUR 1,000	EUR 75	EUR 1,000
Class W	Available to: <ul style="list-style-type: none"> Eligible Counterparties, within the meaning of article 30 of MiFID, investing for their own account. Other collective investment schemes. Distributors, platforms and other intermediaries who operate (i) fee based arrangements with their clients to provide advisory or discretionary portfolio management services, or (ii) other individual fee arrangements with their clients, and do not receive any fee rebates from the Management Company. For these clients, minimum subscription limits will not be applied. Companies which the Management Company deems to be associate companies and other investors which have an agreement with the Management Company. 	EUR 500,000	EUR 50,000	EUR 500,000
Class WI	Available to Institutional Investors.	EUR 500,000	EUR 50,000	EUR 500,000

Class	Eligible Investors	Minimum investment and holding amounts		
		Initial investment	Additional Investment	Holding amount
Class X	<p>Available, with prior agreement of the Management Company, in certain limited circumstances:</p> <ul style="list-style-type: none"> • for distribution in certain countries; and • through certain distributors. <p>Class X Shares are automatically switched free of charge for Shares in Class A or A2 of the relevant Fund, as specified in the relevant Fund Supplement, on or shortly after the third anniversary of their original subscription date.</p> <p>Further information is set out below in the sections "Class X Shares" and "Class X Shares and CDSC".</p>	EUR 1,000	EUR 75	EUR 1,000
Class Z	<p>Available to investors who</p> <ul style="list-style-type: none"> • qualify for the Class C Shares; and • have entered into a prior written fee paying arrangement with the Management Company. <p>Designed to accommodate an alternative charging structure whereby the Annual Management Charge is administratively levied and collected directly from the investor by the Management Company.</p>	EUR 20,000,000	EUR 50,000	EUR 20,000,000
Class ZI	<p>Available to Institutional Investors who have entered into a prior written fee paying arrangement with the Management Company.</p> <p>Designed to accommodate an alternative charging structure whereby the Annual Management Charge is administratively levied and collected directly from the Institutional Investor by the Management Company.</p>	EUR 20,000,000	EUR 50,000	EUR 20,000,000

Minimum investment and holding amounts per Share Class listed above are in EUR or in equivalent amounts in alternative currencies unless specified differently in the supplement of the Fund.

The Management Company can, at its discretion, reduce or waive the minimum investment and holding amounts described above, with respect to any Fund, Share Class or Shareholder.

The Management Company or the Directors may, at their discretion, extend or shorten, with respect to any Fund, the offering period of a Share Class.

Class V Shares

No initial charge is applied to V Share Classes during the period specified in the Fund Supplement of the relevant Fund. Instead, a redemption charge is applied should the Class V Shares be redeemed within such period specified in the Fund Supplement of the relevant Fund.

Class V Shares are automatically switched free of charge for Shares of the corresponding Class A on or shortly after the period specified in the Fund Supplement of the relevant Fund. This switch may give rise to a tax liability for Shareholders in certain jurisdictions. Shareholders should consult their tax adviser for advice about their own position. Following the switch, Shareholders will become shareholders of Class A and will be subject to the rights and obligations of Class A.

Class X Shares

Class X Shares are automatically switched free of charge for Shares of the corresponding Class A or A2 (as specified in the relevant Fund Supplement) on or shortly after the third anniversary of the original subscription date. This switch may give rise to a tax liability for Shareholders in certain jurisdictions. Shareholders should consult their tax adviser for advice about their own position. Following the switch, Shareholders will become shareholders of Class A or A2 and will be subject to the rights and obligations of Class A or A2.

Structured products

Investment in the Shares for the purpose of creating a structured product is only permitted after entering into a specific agreement to this effect with the Management Company. In the absence of such an agreement, the Board of Directors can refuse an investment into the Shares if this is related to a structured product and deemed by the Board of Directors to potentially conflict with the interest of other Shareholders.

In the event that a Shareholder in the Company fails to comply with the above requirement, the Board of Directors may effect a compulsory redemption of Shares held by that Shareholder.

Share Classes characteristics and naming conventions

Accumulation Share Class

This Share Class does not pay any dividend. The income earned is retained in the Net Asset Value.

Accumulation Share Classes are identifiable by the word "Accumulation" in their name.

Distribution Share Class

All distribution Share Classes can pay dividends.

Distribution Share Classes are identifiable by the word "Distribution" in their name.

Distribution Share Classes may have different distribution policies as described in the section "Distribution Policy".

Distribution Share Classes offered with a different distribution frequency than that of the Fund are identifiable as follows:

Distribution Frequency	Semi-Annual	Quarterly	Monthly
Distribution Share Class Identifier	An "S" is suffixed to the Class name	A "Q" is suffixed to the Class name	An "M" is suffixed to the Class name
Example for Class A	USD Class A S - Distribution	USD Class A Q - Distribution	USD Class A M – Distribution

Distribution Share Classes may also be offered with different dividend calculation methodologies as follows:

Distribution Share Class Identifier	Dividend Calculation Methodology
F	<p>A Share Class which normally pays a dividend based on a predetermined annual distribution yield.</p> <p>A numerical suffix will be used to differentiate predetermined distribution rates of the same Fund and Share Class Currency (e.g. F2, F3). This suffix does not represent the actual predetermined percentage.</p> <p>The level of the predetermined dividend is at the discretion of the Directors and may be reviewed periodically.</p> <p>Example: for a given Fund, USD A-H M F (predetermined yield 1) and USD A-H M F1 (predetermined yield 2)</p>

Distribution Share Class Identifier	Dividend Calculation Methodology
SP	<p>A Share Class identified by the suffix "SP" in reference to its aim to provide a stable payment.</p> <p>A Share Class which normally pays a dividend based on a variable and predetermined monetary distribution. The Share Class aims to provide shareholders with consistent dividend payments in line with the income generated by the Fund's assets (before deducting any charges and expenses) over a rolling period.</p> <p>In order to stabilise dividend payments, to the extent the distribution is greater than the Fund's net income this will be funded from capital (including net realised and unrealised gains and investors initial investment).</p> <p>The dividend is calculated at the discretion of the Directors and may be reviewed periodically to reflect changes in the estimated gross income of the Fund.</p> <p>Example: USD Class A M SP - Distribution</p>
SY	<p>A Share Class is identified by the suffix "SY" in reference to its aim to provide a stable yield.</p> <p>A Share Class which normally pays a dividend based on a variable and predetermined distribution yield. The Share Class aims to provide shareholders with a consistent distribution yield in line with the income generated by the Fund's assets (before deducting any charges and expenses) over a rolling period.</p> <p>The dividend may include interest rate differentials arising from currency hedging operated through the Currency Hedged Share Class process or within the Fund's portfolio management.</p> <p>In order to stabilise distribution payments, to the extent the dividend is greater than the Fund's net income, it will be funded from capital (including net realised and unrealised gains and investors' initial investment).</p> <p>The dividend is calculated at the discretion of the Directors and may be reviewed periodically to reflect changes in the estimated yield of the Fund.</p> <p>Example: EUR Class A-H M SY - Distribution</p>
EP	<p>A Share Class identified by the suffix "EP" in reference to its aim to provide an enhanced payment.</p> <p>A Share Class which normally pays a dividend based on a variable and predetermined monetary distribution. The Share Class aims to provide shareholders with consistent dividend payments typically higher than the income generated by a Fund's assets (before deducting any charges and expenses) over a rolling period.</p> <p>To the extent the dividend is greater than a Fund's net income, this will be funded from capital, including net realised and unrealised gains and investors initial investment.</p> <p>The distribution may include interest rate differentials arising from currency hedging operated through the Currency Hedged Share Class process or within the Fund's portfolio management.</p> <p>The dividend is calculated at the discretion of the Directors and may be reviewed periodically to reflect changes in the estimated gross annual income of the Fund and will vary according to economic and other circumstances.</p> <p>Example: USD Class A M EP – Distribution</p>
EY	<p>A Share Class identified by the suffix "EY" in reference to its aim to provide an enhanced yield.</p> <p>A Share Class which normally pays a dividend based on a variable and predetermined distribution yield.</p> <p>The Share Class aims to provide shareholders with a consistent distribution yield typically higher than the yield generated by the Fund's assets (before deducting any charges and expenses) over a rolling period. To the extent the dividend is greater than the Fund's net income it will be funded from capital, including net realised and unrealised gains and investors' initial investment.</p> <p>The distribution may include interest rate differentials arising from currency hedging operated through the Currency Hedged Share Class process or within the Fund's portfolio management.</p> <p>The dividend is calculated at the discretion of the Directors and may be reviewed periodically to reflect changes in the estimated gross income of the Fund and will vary according to economic and other circumstances.</p> <p>Example: USD Class A M EY – Distribution</p>

Investors should be aware that Share Classes identified with an "F", "SP", "SY", "EP" or "EY" suffix may pay dividends out of investment income, capital gains or capital. This is because, from time to time, the dividend paid may be more than the income earned by the Fund. Distributions may therefore have an impact on the tax position and accordingly investors are encouraged to seek appropriate tax advice in relation to investment in the different distribution Share Classes.

The distribution of dividends out of capital may exceed the net realised and unrealised gains of the Share Class and this could result in an erosion of an investor's initial investment. The payment of dividends out of capital will normally continue during periods of negative performance of a Fund, resulting in a more rapid fall in the value of a Share Class than would occur if dividends were not being paid.

The risks associated with Distribution Share Classes paying distributions from capital and/or including interest rate differentials are described in the sub-section "Distribution from capital risk" of the section "Risk Factors").

Share Class Currency

A Share Class may be offered in the Reference Currency of the Fund and in the following currencies: AUD, CAD, CHF, EUR, GBP, HKD, JPY, NOK, SEK, SGD, RMB, USD and ZAR. The Company may decide to issue Share Classes denominated in other currencies.

A Share Class name includes a three-letter code (which is a standard international currency abbreviation) that indicates the Share Class currency.

Currency Hedged Share Classes

Share Classes may be unhedged or currency hedged.

Currency Hedged Share Classes are identified by an "H" suffixed to the Share Class name.

When offering Currency Hedged Share Classes, a Fund may use one of the three currency hedging methodologies explained below:

Hedging Methodology	Description
Replication	The Investment Manager undertakes Hedging Transactions to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Look Through	The Investment Manager undertakes Hedging Transactions to reduce the exposure of the shareholders of Currency Hedged Share Classes to movements in the material currencies within a Fund's portfolio. Where a Fund invests globally, proxy currencies may be used to hedge certain currency exposures where the cost of hedging the relevant reference currency may not achieve the best outcome. Where a suitable proxy currency cannot be determined, the exposure may remain un-hedged. The aggregate value of any un-hedged exposures at a particular point in time could be material.
Benchmark	The Investment Manager undertakes currency Hedging Transactions to capture their active currency views relative to a pre-defined benchmark. The Share Class hedges the portfolio's currency exposures to the extent of their weighting within the benchmark of the Fund, therefore only leaving the Currency Hedged Share Class exposed to the Investment Manager's active currency views.

Information about the hedging methodology which a Fund uses are provided in the Fund Supplements.

Investors should note that, irrespective of the Share Class hedging methodology, there is no guarantee the currency hedging will be totally successful and it will not be possible to always fully hedge a Currency Hedged Share Class against the effect of currency exchange rate fluctuations.

The main financial derivative instruments used by the currency hedging methodologies are forward foreign exchange contracts.

A Share Class hedged to BRL cannot be denominated in BRL as BRL is a restricted currency, which implies an inherent limitation to the tradability of this currency. A "Hedged to BRL" Share Class is instead denominated in the Reference Currency of the relevant Fund but will hedge the Fund's Reference Currency into BRL. Due to the use of currency derivatives, including non-deliverable forwards, the Net Asset Value per Share will fluctuate in line with the fluctuation in exchange rate between the BRL and the Reference Currency of the Fund. The effects of this will be reflected in the performance of the Share Class which therefore may differ significantly from the performance of all other Share Classes within the Fund. Any profit or loss as well as costs and expense resulting from these transactions will be reflected exclusively in the Net Asset Value of this Share Class.

Risks associated with Currency Hedged Share Classes are described in the sub- section "Currency Hedged Share Classes Risk" of the section "Risk Factors".

Class X Shares and CDSC

No initial charge is applied to Class X Shares. Instead, a Distribution Charge is applied annually over a three-year period following the original subscription date and a CDSC is applied on a sliding scale should the Class X Shares be redeemed within the abovementioned three-year period, as described in the section "Fees and Expenses".

Where Class X Shares are held on behalf of investors through an intermediary in an omnibus account, the holding period of Class X Shares and the amount of the CDSC is calculated by the intermediary. The intermediary is responsible to the investors for ensuring their Class X Shares are switched for Class A or A2 Shares at the appropriate time. The intermediary, or its nominee, shall instruct the Registrar and Transfer Agent to switch the Class X Shares for Class A or A2 Shares as required.

Charges

Details of the Annual Management Charge or the Single Charge, and any applicable Initial Charge, Redemption Charge or any other charge can be found in the relevant Fund Supplement.

Overview

The table below presents the possible combinations of Share Class features:

Share Type	Class	Distribution Policy	Distribution Frequency*	Distribution Type**	Available currencies	Hedging Policy***
A, A2, B, C, CI, E, EI, G, GI, J, JI, K, L, LI, N, P, S, SI, T, TI, U, UI, V, W, WI, X, Z, ZI		Accumulation	N/A	N/A	AUD, CAD, CHF, EUR, GBP, JPY, HKD, NOK, SEK, SGD, RMB, USD, ZAR or any such other currency as the Company may decide to use.	Standard (unhedged) Hedged (H)
		Distribution	Annual	Standard distribution		
			Semi-Annual (S)	Fixed distribution		
			Quarterly (Q)			
			Monthly (M)			

* Where a Share Class is available with a different distribution frequency than that of the Fund, that Share Class will be identified by a suffix to the Share Class name.

** Investors should refer to the section "Distribution Policy".

*** Investors should refer to the section "Share Class Currency Hedging".

Fund Supplements

The information contained in each Fund Supplement should be read in conjunction with the full Prospectus.

Equity Funds

M&G (Lux) Asian Fund

Launch Date 26 October 2018

Investment Objective The Fund aims to provide a higher total return (capital growth plus income) than that of the Asia Pacific (excluding Japan) equity market over any five-year period while applying ESG Criteria.

Investment Policy The Fund invests at least 80% of its Net Asset Value in the equity securities and equity-related instruments of companies that are domiciled in, or conducting the major part of their economic activity in, the Asia Pacific region (excluding Japan).

The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect or via the QFI status granted to the Investment Manager.

The Fund may invest up to 5% of its Net Asset Value in equity securities and equity-related instruments of SPACs.

The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive ESG Tilt as described in the precontractual annex to this Fund Supplement.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.

Investment Strategy **Investment Approach**

The Fund employs a bottom-up stock picking approach to identify companies whose long-term prospects are, in the Investment Manager's opinion, being undervalued. The Fund's approach incorporates three elements: return on capital, valuations and corporate governance.

It is the core belief of the Investment Manager that company-specific financial factors, in particular their profitability (which is measured in terms of returns on capital) drive share prices over the long run.

The Fund's country and sector exposure is not influenced by financial top-down views.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

MSCI AC Asia Pacific ex Japan Net Return Index

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 and as a result the Fund's performance may deviate significantly from the benchmark.

The benchmark is shown in the share class currency.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking long term capital growth and income through investment in Asian securities and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency

USD

Currency Hedged Share Classes

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Emerging markets
- China
- Currency & exchange rate
- Specific asset class, region or sector
- Liquidity
- Counterparty

- ESG data
- Investments exclusions
- SPACs

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.50%	5.00%	-	-	-	0.05%	0.15%
B	2.00%	-	-	-	-	0.05%	0.15%
C	0.75%	3.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.75%	3.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
L	Up to 0.75%	1.25%	-	-	-	0.05%	0.15%
LI	Up to 0.75%	1.25%	-	-	-	0.01%	0.15%
X	1.50%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	3.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Asian Fund
Legal Entity Identifier: 549300ORHSL7KYFQYW10

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

The Fund maintains a weighted average ESG rating that is either

1. higher than that of the equity market as represented by its investment universe; or
2. equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt").

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

• What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Positive ESG Tilt: Portfolio weighted average ESG score versus investment universe weighted average ESG score or versus the ESG score corresponding to the lowest numerical value of the MSCI A rating.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions. In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities. The Investment Manager favours issuers with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. This process should result in a portfolio with better ESG characteristics. In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective.

The Fund's ESG Criteria apply to at least:

- 90% of equities issued by large capitalisation companies in developed countries; debt securities, money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries;
- 75% of equities issued by large capitalisation companies in emerging market countries; equities issued by small and mid-capitalisation companies in any country; debt securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging market countries.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's Positive ESG Tilt;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



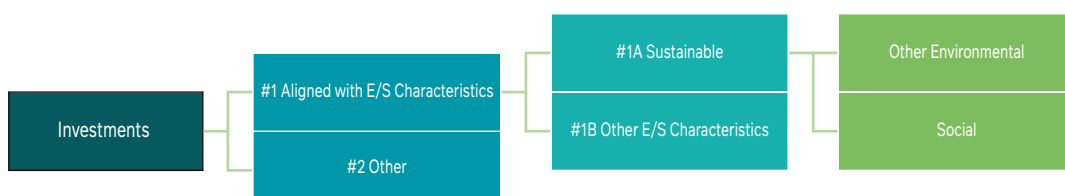
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the promoted environmental and/or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

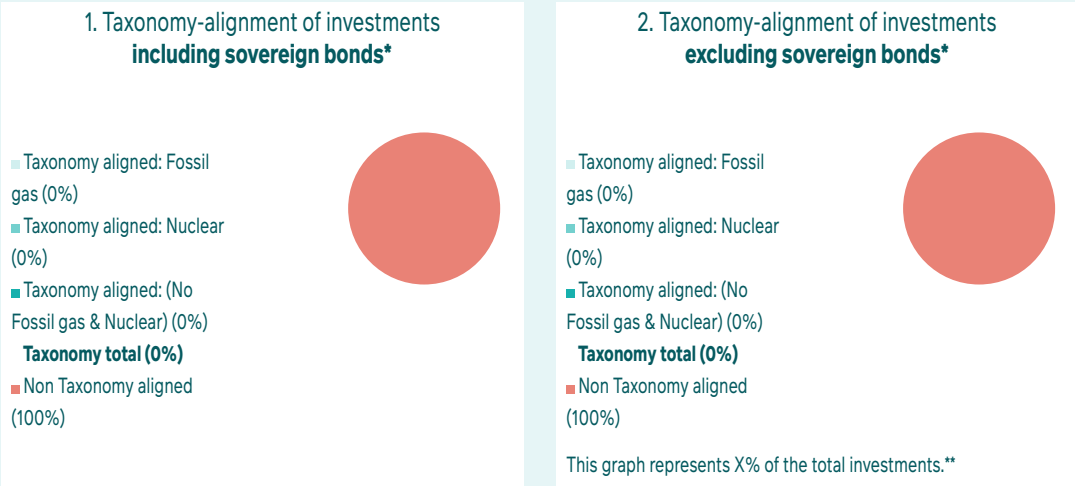
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- What is the minimum share of investments in transitional and enabling activities?
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?
5%



What is the minimum share of socially sustainable investments?
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds and derivatives as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Better Health Solutions Fund

Launch Date 2 March 2023

Investment Objective The Fund has two aims:

- Financial objective: to provide a higher total return (capital growth and income) than that of the global equity market over any five-year period; and
- Impact objective: to invest in companies that deliver solutions to address better health and well-being.

Investment Policy

The Fund invests at least 80% of its Net Asset Value in the equity securities and equity-related instruments of companies across any sector and market capitalisation that are domiciled, incorporated or listed in any developed market. The Fund has a concentrated portfolio of usually fewer than 40 companies.

The Fund may also invest in the equity securities and equity-related instruments of companies that are domiciled, incorporated or listed in emerging markets, including investments in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect up to 20% of its Net Asset Value.

The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach, in addition to its sustainable investment strategy used in pursuit of the sustainable investment objective, as described in the precontractual annex to this Fund Supplement.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

The Fund may use derivatives for efficient portfolio management and hedging.

Investment Strategy **Investment Approach**

The Fund is a concentrated portfolio of global stocks, investing over the long term in companies that are delivering solutions to address better health and well-being alongside a financial return, using a disciplined stock selection process.

The Fund invests in companies that deliver solutions to address better health and/or better well-being as explained in the precontractual annex to this Fund Supplement.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / Impact.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation	The Fund is categorised as an Article 9 fund under SFDR, and information about its sustainable investment is described in the precontractual annex to this Fund Supplement.
Benchmark	<p>MSCI World Net Return Index</p> <p>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 Fund's financial objective. The benchmark is used solely to measure the Fund's performance and does not constrain the Fund's portfolio construction.</p> <p>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 and as a result the Fund's performance may deviate materially from the benchmark.</p> <p>The benchmark is shown in the share class currency.</p>
Profile of Typical Investor	<p>The Fund is designed for retail and Institutional Investors seeking a combination of capital growth and income from a portfolio that invests globally in shares of companies which deliver solutions to address better health and well-being and who have sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objectives. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund is designed for investors who have an investment time horizon of at least five years.</p>
Reference Currency	USD
Currency Hedged Share Classes	Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Distribution Policy	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.
Main Risks	<p>The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.</p> <ul style="list-style-type: none"> • Capital & income will vary • Concentrated portfolio • Emerging markets • China • Smaller companies • Currency & exchange rate • Liquidity • Counterparty • ESG data • Investments exclusions <p>Investors should read the section "Risk Factors" for a full description of risks.</p>

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.75%	4.00%	-	-	-	0.05%	0.15%
B	2.25%	-	-	-	-	0.05%	0.15%
C	0.75%	1.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.75%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
L	0.30%	1.25%	-	-	-	0.05%	0.15%
LI	0.30%	1.25%	-	-	-	0.01%	0.15%
N	Up to 1.75%	4.00%	-	-	-	0.05%	0.15%
X	1.75%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Sustainability indicators measure how the sustainable objectives of this financial product are attained.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Better Health Solutions Fund
Legal Entity Identifier: 254900DW7OX08JEEU71

Sustainable investment objective

Does this financial product have a sustainable investment objective?

● ● ☒ Yes

● ● ☐ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It will make a minimum of **sustainable investments with a social objective**: 80%

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

To invest in companies that deliver solutions to address better health and well-being.

● What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

For each stock held in the portfolio, the Investment Manager will use the following sustainability indicators:

- Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals (“SDGs”):
 - SDG2 - Zero hunger
 - SDG3 - Good Health and Wellbeing
 - SDG6 - Clean water and sanitation
 - SDG8 – Decent Work and Economic Growth
 - SDG11 - Sustainable Cities and Communities; and
 - SDG12 - Responsible Consumption and Production

In addition, for each investment considered to be SDG-aligned, the Investment Manager will assess the strength of contribution to the relevant SDG(s).

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful.
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment.

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Fund invests in companies that deliver solutions to address better health and/or better wellbeing. These can be understood by reference to the United Nations Sustainable Development Goals framework as companies which are focused on sustainable development goals such as Good Health and Wellbeing; Zero Hunger; Clean Water and Sanitation; Sustainable Cities and Communities; Responsible Consumption and Production; and other companies which the Investment Manager considers appropriate to invest in, in pursuit of the impact objective. These companies are assessed using the Investment Manager's impact assessment methodology ("Impact Methodology") described below.

The Impact Methodology focuses on three criteria:

- Investment Credentials: the quality and durability of the company's business model and its ability to produce sustainable economic returns;
- Intention: the company's purpose as evidenced by the alignment of its mission statement with its corporate strategy and actions; and
- Impact: the scale of the net positive societal impact and the company's progress in addressing social equality challenges.

The outputs of the Impact Methodology enable the Fund to allocate to the following three investment types:

- "Pioneers", whose products or services have or could have a transformational effect on social equality.
- "Enablers", which provide the tools for others to empower social equality.
- "Leaders", which spearhead and mainstream sustainability in industries empowering social equality, but which may have more established profitability than pioneers.

The Investment Manager's engagement with the companies in which the Fund invests is key to the investment approach.

Sustainability considerations, encompassing ESG factors, are fully integrated into analysis and investment decisions, and play an important role in determining the investment universe and portfolio construction.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then assesses the sustainability credentials of the remaining companies. Potential investments are identified by reference to the relevant SDGs, and assessed using the Impact Methodology.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective on of their valuation.

● **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's asset allocation, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

● **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates data driven quantitative good governance tests used to consider investments into companies. The Investment Manager excludes investments in securities that are considered as failing the Investment Manager's good governance tests. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



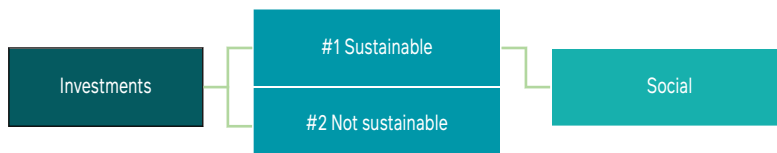
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation and the minimum share of sustainable investments?

The Investment Manager expects at least 80% of the Fund to be invested in social sustainable investments, in pursuit of the social sustainable investment objective.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

Derivatives are not used to attain the sustainable investment objective.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

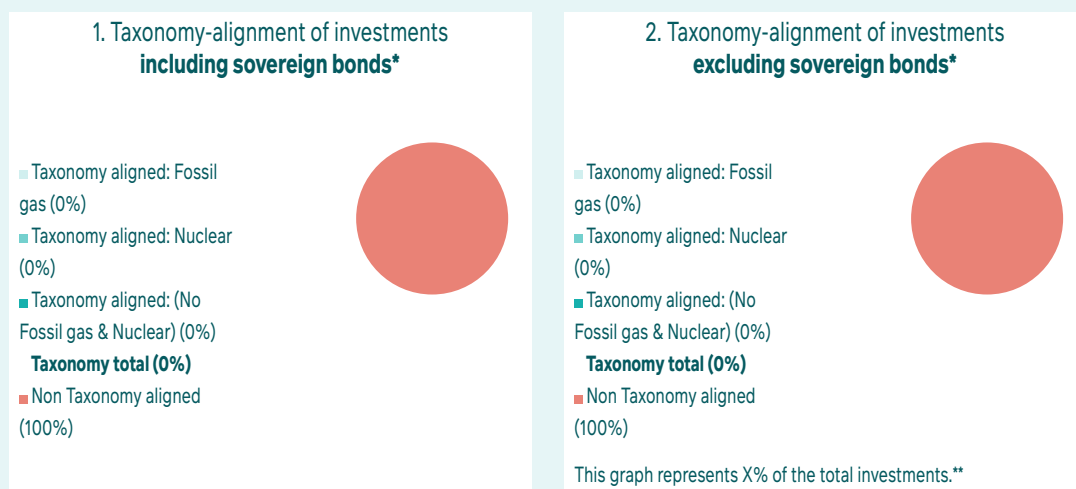
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
0%



- **What is the minimum share of sustainable investments with a social objective?**
80%



- **What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, and derivatives as “Other” investments, for hedging purposes or in connection with cash held for ancillary liquidity. No minimum environmental or social safeguards are applied, other than as stated below.

Where derivatives are used to take investment exposure to diversified financial indices, these will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

It is also possible that the Fund may hold investments that are not in line with the sustainable investment objective, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



- **Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

No

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

Until 28 October 2024: M&G (Lux) Climate Solutions Fund

From 29 October 2024: M&G (Lux) Nature and Biodiversity Solutions Fund

Launch Date 12 November 2020

Investment Objective The Fund has two aims:

Until 28 October 2024:

- Financial objective: to provide a higher total return (capital growth plus income) than that of the global equity market over any five-year period; and
- Impact objective: to invest in companies that deliver solutions to the challenge of climate change.

From 29 October 2024:

- Financial objective: to provide a higher total return (capital growth plus income) than that of the global developed equity market over any five-year period; and
- Impact objective: to invest in companies that deliver solutions to the challenges of biodiversity loss, climate change and the degradation of nature.

Investment Policy

Until 28 October 2024:

The Fund invests at least 80% of its Net Asset Value in the equity securities and equity-related instruments of companies across any sector and market capitalisation that are domiciled, incorporated or listed in any developed market. The Fund has a concentrated portfolio and usually holds fewer than 40 stocks.

The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach, in addition to its sustainable investment strategy used in pursuit of the sustainable investment objective, as described in the precontractual annex to this Fund Supplement.

The Fund may also invest in the equity securities and equity-related instruments of companies that are domiciled, incorporated or listed in emerging markets, including investments in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect up to 20% of its Net Asset Value. Such equity securities and equity-related instruments are also subject to the impact assessment methodology and exclusions above.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

The Fund may use derivatives for efficient portfolio management and hedging.

From 29 October 2024:

The Fund invests at least 80% of its Net Asset Value in the equity securities and equity-related instruments of companies across any sector and market capitalisation that are

domiciled, incorporated or listed in any developed market. The Fund has a concentrated portfolio and usually holds fewer than 50 stocks.

The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach, in addition to its sustainable investment strategy used in pursuit of the sustainable investment objective, as described in the precontractual annex to this Fund Supplement.

The Fund may also invest in the equity securities and equity-related instruments of companies that are domiciled, incorporated or listed in emerging markets, including investments in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect up to 20% of its Net Asset Value.

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The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

The Fund may use derivatives for efficient portfolio management and hedging.

Investment Strategy

Investment Approach

Until 28 October 2024:

The Fund is a concentrated portfolio of global stocks, investing over the long term in companies that are delivering solutions to the challenge of climate change alongside a financial return, using a disciplined stock selection process to build a high conviction portfolio of impact assets as further explained in the precontractual annex to this Fund Supplement.

From 29 October 2024:

The Fund is a concentrated portfolio of global stocks, investing over the long term in companies that are delivering solutions to the challenges of biodiversity loss, climate change and the degradation of nature alongside a financial return, using a disciplined stock selection process to build a high conviction portfolio of impact assets as further explained in the precontractual annex to this Fund Supplement.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / Impact.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 9 fund under SFDR, and information about its sustainable investment is described in the precontractual annex to this Fund Supplement.

Benchmark

MSCI World Net Return Index

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 Fund's financial

objective. 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 shown in the share class currency.

Profile of Typical Investor

Until 28 October 2024:

The Fund is designed for retail and Institutional Investors seeking a combination of capital growth and income by investing in a portfolio of shares of companies from anywhere in the world that aim to deliver solutions to the challenge of climate change and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objectives. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

From 29 October 2024:

The Fund is designed for retail and Institutional Investors with sustainability preferences seeking a combination of capital growth and income by investing in a portfolio of shares of companies from anywhere in the world that aim to deliver solutions to the challenges of biodiversity loss, climate change and the degradation of nature and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objectives. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency

USD

Currency Hedged Share Classes

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Concentrated portfolio
- Currency & exchange rate
- Emerging markets

- China
- Liquidity
- Counterparty
- ESG data
- Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.75%	4.00%			-	0.05%	0.15%
B	2.25%	-			-	0.05%	0.15%
C	0.75%	1.25%			-	0.05%	0.15%
CI	0.75%	1.25%			-	0.01%	0.15%
J	Up to 0.75%	-			-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
L	0.30%	1.25%	-	-	-	0.05%	0.15%
LI	0.30%	1.25%	-	-	-	0.01%	0.15%
N	Up to 1.75%	4.00%			-	0.05%	0.15%
X	1.75%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	-	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Precontractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Sustainability indicators measure how the sustainable objectives of this financial product are attained.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Climate Solutions Fund
Legal Entity Identifier: 254900TXGEMG2PHLBX89

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ Yes

☐ No

☒ It will make a minimum of **sustainable investments with an environmental objective**: 80%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

To invest in companies that deliver solutions to the challenge of climate change.

• What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

Fund level sustainability indicators:

- Percentage (%) of NAV committed to Science-Based Targets (SBTs)
- Percentage (%) of NAV with ratified Science-Based Targets
- Percentage (%) of CO2 emissions with Science-Based Targets
- Percentage (%) of NAV in investments with net positive carbon emissions (i.e. investments that are considered to remove more potential carbon emissions than they produce)
- Percentage (%) of NAV participating in Task Force on Climate-Related Financial Disclosures (TCFD) reporting
- Total renewable energy produced (megawatt hours)
- Percentage (%) of NAV in investments in climate solution companies
- Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"):
 - SDG7 - Affordable and Clean Energy
 - SDG9 - Industry, Innovation and Infrastructure;
 - SDG11 - Sustainable Cities and Communities; and
 - SDG12 - Responsible Consumption and Production
 - SDG15 - Life on Land

In addition, for each investment considered to be SDG-aligned, the Investment Manager will assess the strength of contribution to the relevant SDG(s).

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful.
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment.

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Fund invests in companies that deliver solutions to address the challenge of climate change. These can be understood by reference to the United Nations Sustainable Development Goals framework as companies which are focused on sustainable development goals such as Affordable and Clean Energy; Industry, Innovation and Infrastructure; Sustainable Cities and Communities; Responsible Consumption and Production; Life on Land; and other companies which the Investment Manager considers appropriate to invest in, in pursuit of the impact objective. These companies are assessed using the Investment Manager's impact assessment methodology ("Impact Methodology") described below.

The Impact Methodology focuses on three criteria:

- Investment Credentials: the quality and durability of the company's business model and its ability to produce sustainable economic returns;
- Intention: the company's purpose as evidenced by the alignment of its mission statement with its corporate strategy and actions; and
- Impact: the scale of the net positive societal impact and the company's progress in addressing social equality challenges.

The outputs of the Impact Methodology enable the Fund to allocate to the following three investment types:

- "Pioneers", whose products or services have or could have a transformational effect on social equality.
- "Enablers", which provide the tools for others to empower social equality.
- "Leaders", which spearhead and mainstream sustainability in industries empowering social equality, but which may have more established profitability than pioneers.

The Investment Manager's engagement with the companies in which the Fund invests is key to the investment approach.

Sustainability considerations, encompassing ESG factors, are fully integrated into analysis and investment decisions, and play an important role in determining the investment universe and portfolio construction.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then assesses the sustainability credentials of the remaining companies. Potential investments are identified by reference to the relevant SDGs, and assessed using the Impact Methodology.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective.

● **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's asset allocation, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Please note that the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is non-binding where the reason for holding less than such minimum is because Taxonomy-aligned investments are held instead (as all such investments are sustainable investments with environmental objectives).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates data driven quantitative good governance tests used to consider investments into companies. The Investment Manager excludes investments in securities that are considered as failing the Investment Manager's good governance tests. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



Asset allocation describes the share of investments in specific assets.

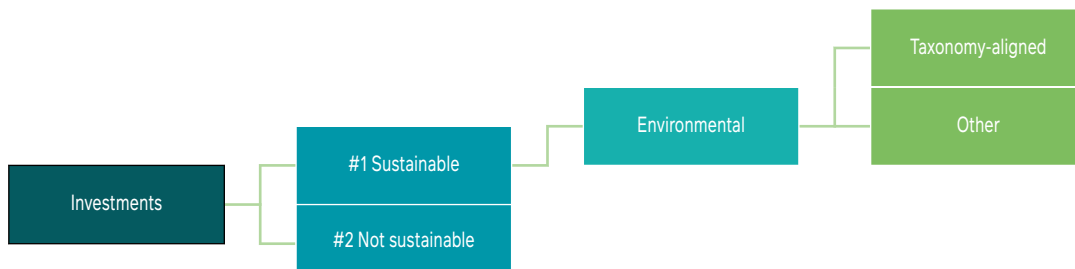
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation and the minimum share of sustainable investments?

The Investment Manager expects at least 80% of the Fund to be invested in environmental sustainable investments, in pursuit of the environmental sustainable investment objective.

The Fund is not required to favour any specific type of environmental sustainable investment.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

Derivatives are not used to attain the sustainable investment objective.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

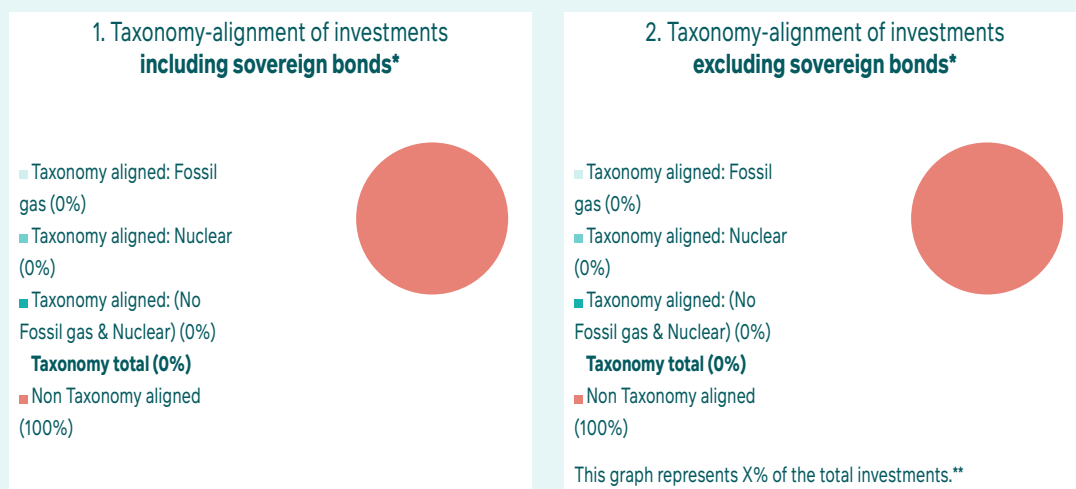
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
80%



- **What is the minimum share of sustainable investments with a social objective?**
0%



- **What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, and derivatives as “Other” investments, for hedging purposes or in connection with cash held for ancillary liquidity. No minimum environmental or social safeguards are applied, other than as stated below.

Where derivatives are used to take investment exposure to diversified financial indices, these will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

It is also possible that the Fund may hold investments that are not in line with the sustainable investment objective, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



- **Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

No

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

Precontractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Nature and Biodiversity Solutions Fund
Legal Entity Identifier: 254900TXGEMG2PHLBX89

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ Yes

☐ No

☒ It will make a minimum of **sustainable investments with an environmental objective**: 80%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What is the sustainable investment objective of this financial product?

To invest in companies that deliver solutions to the challenges of biodiversity loss, climate change, and the degradation of nature.

• What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

Fund level sustainability indicators:

- Percentage (%) of NAV contributing towards each of the UN Sustainable Development Goals ("SDGs") 2, 6, 7, 9, 11, 12, 13, 14, 15,*
- Percentage (%) of NAV contributing towards these SDGs in aggregate
- Percentage (%) of NAV in each of the Investment Manager's six nature and biodiversity impact areas**, with the allocation to each as determined by the Investment Manager using appropriate metrics.
- Percentage (%) of NAV invested in nature and biodiversity impact assets in total
- Percentage (%) of NAV which participate in Task Force on Climate-Related Financial Disclosures (TCFD)
- Percentage (%) of NAV which participate in Task Force on Nature-Related Financial Disclosures (TNFD)
- Percentage (%) of NAV with ratified Science-Based Targets
- The number of engagements on nature and biodiversity which have been successful in the Investment Manager's opinion, with success of engagement outcomes evaluated over two-year timeframe

*The SDGs are: SDG2 Zero Hunger; SDG6 Clean Water and Sanitation; SDG7 Affordable and Clean Energy; SDG9 Industry, Innovation and Infrastructure; SDG11 Sustainable Cities and Communities; SDG12 Responsible Consumption and Production; SDG13 Climate Action; SDG14 Life Below Water; SDG15 Life on Land. **The Fund's nature and biodiversity impact areas are as follows: Clean Energy; Green Technology; Circular Economy; Clean and Accessible Water; Agriculture and Forestry; Sustainable Food.

Additional security level sustainability indicators:

The Investment Manager assesses the securities purchased by the Fund for their contribution to the UN SDGs and the Fund's six nature and biodiversity impact areas (both of which are reported as Fund level sustainability indicators as shown above) as well as performing further assessment of their contribution to the sustainable investment objective. The nature of impact investing is such that individual companies may contribute in

different ways which do not readily aggregate for periodic reporting. Accordingly, the Investment Manager may choose to report on case studies and other sample reporting in addition to the core Fund level key sustainability indicators described above.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful.
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment.

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

"The Fund invests in companies that deliver solutions to address the challenges of biodiversity loss, climate change, and the degradation of nature. These can be understood by reference to the United Nations Sustainable Development Goals framework as companies which are focused on sustainable development goals such as Affordable and Clean Energy; Industry, Innovation and Infrastructure; Sustainable Cities and Communities;

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Responsible Consumption and Production; Life on Land; Zero Hunger; Clean Water and Sanitation; Life Below Water; and other companies which the Investment Manager considers appropriate to invest in, in pursuit of the impact objective. These companies are assessed using the Investment Manager's impact assessment methodology ("Impact Methodology") described below.

The Impact Methodology focuses on three criteria: • Investment Credentials: the quality and durability of the company's business model and its ability to produce sustainable economic returns; • Intention: the company's purpose as evidenced by the alignment of its mission statement with its corporate strategy and actions; and • Impact: the scale of the net positive societal impact and the company's progress in addressing environmental challenges.

The outputs of the Impact Methodology enable the Fund to allocate to the following three investment types:

- "Pioneers", whose products or services have or could have a transformational effect on the environment.
- "Enablers", which provide the tools for others to deliver positive environmental impact.
- "Leaders", which spearhead and mainstream sustainability in industries, but which may have more established profitability than pioneers.

The Investment Manager's engagement with the companies in which the Fund invests is key to the investment approach.

Sustainability considerations, encompassing ESG factors, are fully integrated into analysis and investment decisions, and play an important role in determining the investment universe and portfolio construction.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then assesses the sustainability credentials of the remaining companies. Potential investments are identified by reference to the relevant SDGs, and assessed using the Impact Methodology.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective.

● **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's asset allocation, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Please note that the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is non-binding where the reason for holding less than such minimum is because Taxonomy-aligned investments are held instead (as all such investments are sustainable investments with environmental objectives).

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates data driven quantitative good governance tests used to consider investments into companies. The Investment Manager excludes investments in securities that are considered as failing the Investment Manager's good governance tests. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



Asset allocation describes the share of investments in specific assets.

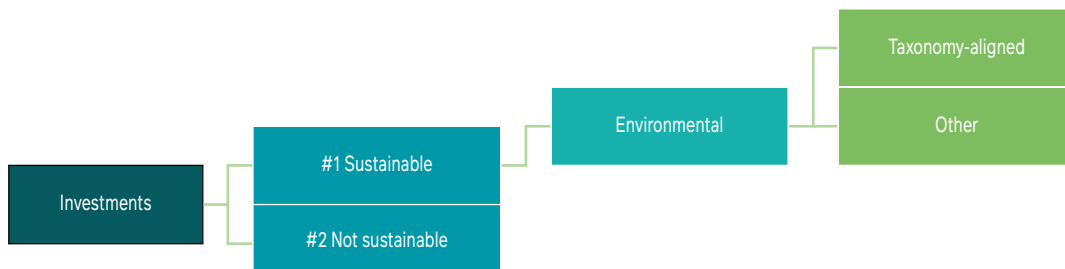
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation and the minimum share of sustainable investments?

The Investment Manager expects at least 80% of the Fund to be invested in environmental sustainable investments, in pursuit of the environmental sustainable investment objective.

The Fund is not required to favour any specific type of environmental sustainable investment.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

Derivatives are not used to attain the sustainable investment objective.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

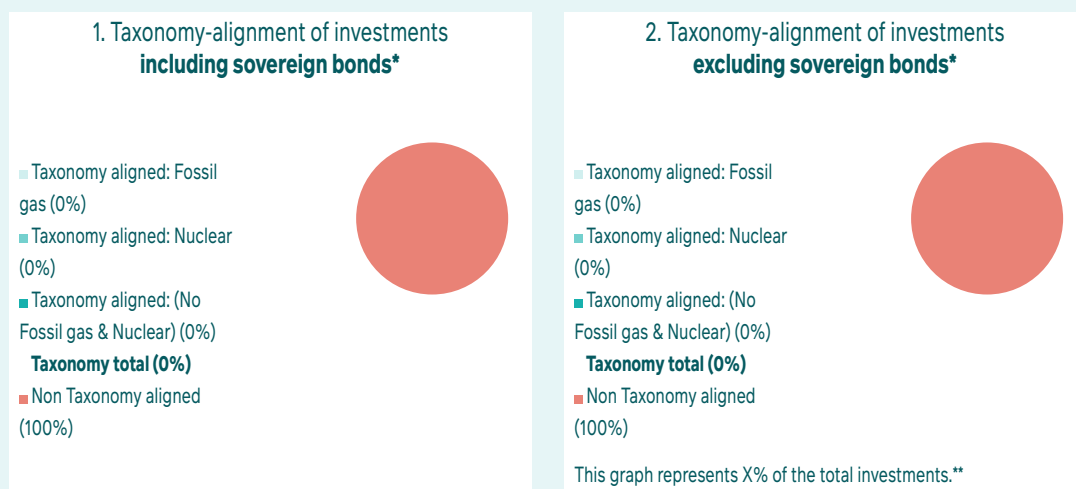
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
80%



- **What is the minimum share of sustainable investments with a social objective?**
0%



- **What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, and derivatives as “Other” investments, for hedging purposes or in connection with cash held for ancillary liquidity. No minimum environmental or social safeguards are applied, other than as stated below.

Where derivatives are used to take investment exposure to diversified financial indices, these will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

It is also possible that the Fund may hold investments that are not in line with the sustainable investment objective, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



- **Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

No

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Diversity and Inclusion Fund

Launch Date	18 November 2021
Investment Objective	<p>The Fund has two aims:</p> <ul style="list-style-type: none"> • Financial objective: to provide a higher total return (capital growth plus income) than that of the global equity market over any five-year period; and • Sustainable objective: to invest in companies that have demonstrable gender and/or ethnic diversity, or which provide solutions empowering social equality.
Investment Policy	<p>At least 80% of the Fund's Net Asset Value is invested in the equity securities and equity-related instruments of Diversity Companies and Inclusion Companies (as defined in the precontractual annex to this Fund Supplement) across any sector and market capitalisation that are domiciled, incorporated or listed in any country, including emerging markets. The Fund has a concentrated portfolio of usually fewer than 40 companies.</p> <p>The Fund invests in assets that meet its ESG Criteria, applying an Exclusionary Approach, in addition to its sustainable investment strategy used in pursuit of the sustainable investment objective, as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors. Derivatives may be used for efficient portfolio management and hedging.</p>
Investment Strategy	<p>Investment Approach</p> <p>The Fund is a focused global equity fund, making long-term investments in Diversity Companies and Inclusion Companies as explained in the precontractual annex to this Fund Supplement.</p> <p>The Investment Manager selects the most suitable assets to build a concentrated and high-conviction portfolio.</p> <p>Investment Manager's ESG Classification</p> <p>The Fund is categorised as Planet+ / Sustainable.</p> <p>The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.</p>
EU Sustainable Finance Disclosure Regulation	The Fund is categorised as an Article 9 fund under SFDR, and information about its sustainable investment is described in the precontractual annex to this Fund Supplement.

Benchmark**MSCI ACWI Net Return Index**

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 Fund's financial objective. 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 shown in the share class currency.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to gain a combination of capital growth and income from a portfolio that invests in the shares of companies from anywhere in the world, that demonstrate a commitment towards diversity leadership or provide solutions empowering social equality and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objectives. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency

USD

Currency Hedged Share Classes

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Emerging markets
- Currency & exchange rate
- Concentrated portfolio
- Smaller companies
- Liquidity
- Counterparty
- ESG data
- Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.75%	4.00%	-	-	-	0.05%	0.15%
C	0.75%	1.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.75%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
L	0.30%	1.25%	-	-	-	0.05%	0.15%
LI	0.30%	1.25%	-	-	-	0.01%	0.15%
X	1.75%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Sustainability indicators measure how the sustainable objectives of this financial product are attained.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Diversity and Inclusion Fund
Legal Entity Identifier: 254900YIO1LVTNZ3KH90

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ Yes

☐ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It will make a minimum of **sustainable investments with a social objective**: 80%

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

To invest in companies that have demonstrable gender and/or ethnic diversity, or which provide solutions empowering social equality.

• What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

For each stock held in the portfolio, the Investment Manager will use the following sustainability indicators:

- Year-on-Year Change of women on the board
- Year-on-Year Change of women in leadership roles
- Year-on-Year Change of ethnic diversity on the board
- Year-on-Year Change of ethnic diversity in leadership roles
- Percentage (%) NAV with board gender diversity (more than 30%), as reported by the company
- Percentage (%) NAV with board ethnic diversity (more than 30%), as reported by the company
- Percentage (%) NAV considered by the Investment Manager to have leadership diversity, based on data reported by the company
- Percentage (%) of NAV in investments aligned to United Nations Sustainable Development Goals ("SDGs"):
 - SDG3 - Good Health and Wellbeing,
 - SDG4 - Quality Education;
 - SDG5 - Gender Equality;
 - SDG8 - Decent Work and Economic Growth;
 - SDG9 - Industry, Innovation and Infrastructure;
 - SDG10 - Reduced Inequalities; and
 - SDG16 - Peace, Justice and Strong Institutions

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

In addition, for each investment considered to be SDG-aligned, the Investment Manager will assess the strength of contribution to the relevant SDG(s).

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful.
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment.

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

The Fund invests in Diversity Companies and Inclusion Companies.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Diversity Companies are companies that demonstrate sustainability and gender and/or ethnic diversity. They must have at least 30% women and/or 30% ethnic minority representation on boards at the time of purchase. Diversity Companies bought for their ethnic minority representation must also have no single ethnicity representing more than 70% of the board at the time of purchase. The Investment Manager also considers other measures of gender

and/or ethnic diversity in assessing the contribution of Diversity Companies to the sustainable objective. Diversity Companies are subject to fundamental assessment using the Fund's sustainable investment process ("EQL framework") described below.

The EQL Framework assesses:

- ESG Credentials: environmental and social responsibility characteristics evidenced by strong governance and sustainable business practices.
- Quality: the quality and durability of the company's business model and its ability to produce sustainable economic returns.
- Leading Diversity: the company's commitment towards diversity leadership through diversity representation, policies and targets.

Inclusion Companies are companies that deliver solutions to empower social equality. These can be understood by reference to the United Nations Sustainable Development Goals ("SDGs") framework as companies which are focused on sustainable development goals such as Good Health and Wellbeing, Quality Education; Gender Equality; Decent Work and Economic Growth; Industry, Innovation and Infrastructure; Reduced Inequalities; and Peace, Justice and Strong Institutions; or other companies which the Investment Manager considers appropriate to invest in pursuit of the sustainable objective. These companies are assessed using the Investment Manager's impact assessment methodology ("Impact Methodology") described below.

The Impact Methodology focuses on three criteria:

- Investment Credentials: the quality and durability of the company's business model and its ability to produce sustainable economic returns;
- Intention: the company's purpose as evidenced by the alignment of its mission statement with its corporate strategy and actions; and
- Impact: the scale of the net positive societal impact and the company's progress in addressing social equality challenges.

The outputs of the Impact Methodology enable the Fund to allocate to the following three investment types:

- "Pioneers", whose products or services have or could have a transformational effect on social equality.
- "Enablers", which provide the tools for others to empower social equality.
- "Leaders", which spearhead and mainstream sustainability in industries empowering social equality, but which may have more established profitability than pioneers.

The Investment Manager's engagement with the companies in which the Fund invests is key to the investment approach. Sustainability considerations, encompassing ESG factors, are fully integrated into analysis and investment decisions, and play an important role in determining the investment universe and portfolio construction. In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then assesses the sustainability credentials of the remaining companies:
 - a. Diversity Companies are assessed using the EQL framework; and
 - b. Inclusion Companies are identified by reference to the relevant SDGs, and assessed using the Impact Methodology.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective.

● **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's asset allocation, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates data driven quantitative good governance tests used to consider investments into companies. The Investment Manager excludes investments in securities that are considered as failing the Investment Manager's good governance tests. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



Asset allocation describes the share of investments in specific assets.

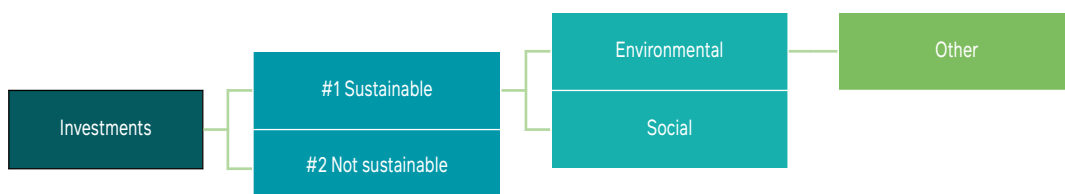
What is the asset allocation and the minimum share of sustainable investments?

The Investment Manager expects at least 80% of the Fund to be invested in social sustainable investments, in pursuit of the social sustainable investment objective.

The Fund holds at least 15% and typically a maximum of 30% in Inclusion Companies, with the remainder of the sustainable investments held in Diversity Companies.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

● **How does the use of derivatives attain the sustainable investment objective?**

Derivatives are not used to attain the sustainable investment objective.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

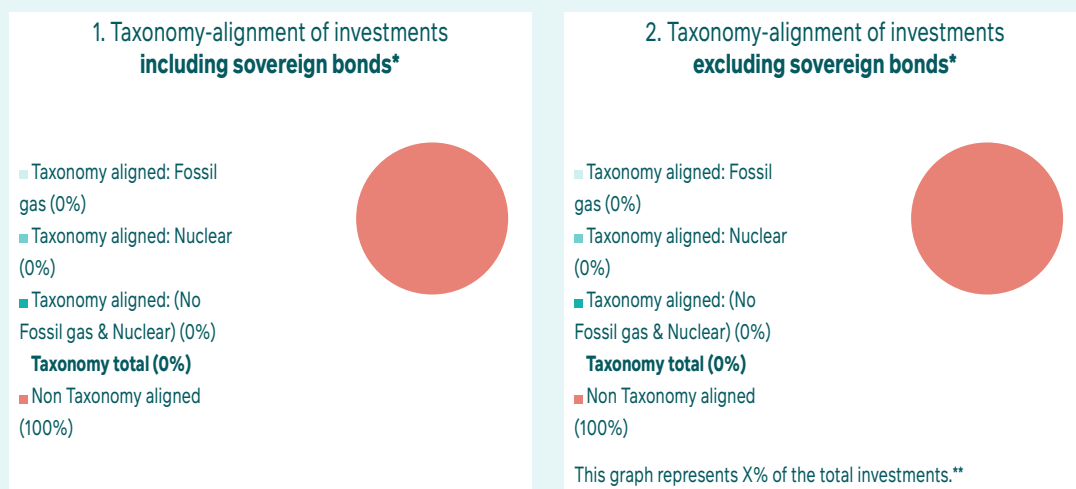
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
0%



- **What is the minimum share of sustainable investments with a social objective?**
80%



- **What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, and derivatives as “Other” investments, for hedging purposes or in connection with cash held for ancillary liquidity. No minimum environmental or social safeguards are applied, other than as stated below.

Where derivatives are used to take investment exposure to diversified financial indices, these will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



- **Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

No

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) European Strategic Value Fund

Launch Date	18 September 2018
Investment Objective	The Fund aims to provide a higher total return (capital growth plus income) than that of the European equity market over any five-year period while applying ESG Criteria.
Investment Policy	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities and equity-related instruments of companies across any sector and market capitalisation that are domiciled in, or conducting the major part of their economic activity in Europe.</p> <p>The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive ESG Tilt as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
Investment Strategy	<p>Investment Approach</p> <p>The Fund employs a bottom-up stock picking approach to identify shares of European companies that the Investment Manager believes are undervalued. The Investment Manager seeks to identify companies that are mispriced, while trying to avoid firms that are cheap for a reason and whose share prices are unlikely to improve over time.</p> <p>The Fund's approach combines strict value-focused screening with rigorous qualitative analysis to ensure the Fund has a consistent and disciplined value bias, without compromising on the robustness of the companies in the portfolio.</p> <p>The main drivers of returns are expected to be the value style and overall stock selection rather than any individual sector or stock.</p> <p>Investment Manager's ESG Classification</p> <p>The Fund is categorised as Planet+ / ESG Enhanced.</p> <p>The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.</p>
EU Sustainable Finance Disclosure Regulation	The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.
Benchmark	MSCI Europe Net Return Index

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 and as a result the Fund's performance may deviate significantly from the benchmark.

The benchmark is shown in the share class currency.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to gain a combination of capital growth and income from a portfolio of predominantly European equities, and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency

EUR

Currency Hedged Share Classes

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Specific asset class, region or sector
- Smaller companies
- Currency & exchange rate
- Emerging markets
- Liquidity
- Counterparty
- ESG data
- Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.50%	4.00%	-	-	-	0.05%	0.15%
B	2.00%	-	-	-	-	0.05%	0.15%
C	0.75%	1.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.75%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
N	Up to 1.50%	4.00%	-	-	-	0.05%	0.15%
X	1.50%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) European Strategic Value Fund
Legal Entity Identifier: 549300F39NTGOM8EIX97

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒
☒
☐

Yes

☒
☐
☒

No

☐
It will make a minimum of **sustainable investments with an environmental objective**:

☐
in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐
in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐
It will make a minimum of **sustainable investments with a social objective**:

☒
It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐
with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒
with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
☒
with a social objective

☐
It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

 - Exclusionary approach: Percentage (%) of NAV held in excluded investments
 - Positive ESG Tilt: Portfolio weighted average ESG score versus investment universe weighted average ESG score or versus the ESG score corresponding to the lowest numerical value of the MSCI A rating.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities. The Investment Manager favours issuers with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. This process should result in a portfolio with better ESG characteristics. In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective.

The Fund's ESG Criteria apply to at least:

- 90% of equities issued by large capitalisation companies in developed countries; debt securities, money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries;
- 75% of equities issued by large capitalisation companies in emerging market countries; equities issued by small and mid-capitalisation companies in any country; debt securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging market countries.

• What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's Positive ESG Tilt;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

• What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



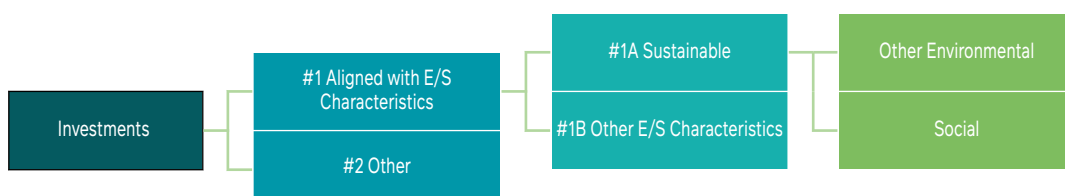
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the promoted environmental and/or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

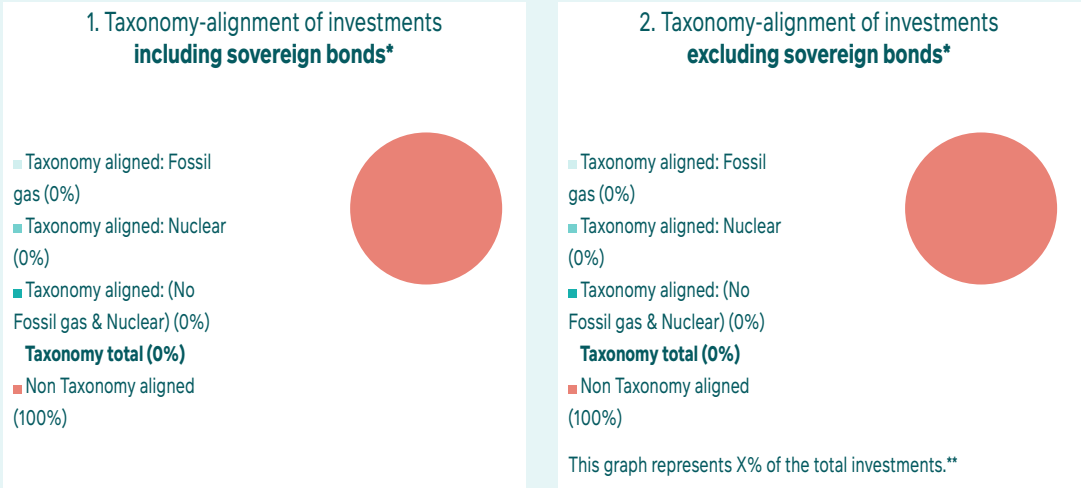
- ☐ Yes:
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

-  **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

-  **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds and derivatives as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Global Dividend Fund

Launch Date	18 September 2018
Investment Objective	<p>The Fund has two aims:</p> <ul style="list-style-type: none"> • to deliver a higher total return (capital growth plus income) than that of the global equities markets over any five-year period while applying ESG Criteria and; • to deliver an income stream that increases every year in US Dollar terms.
Investment Policy	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities and equity-related instruments of companies across any sector and market capitalisation that are domiciled in any country, including emerging markets. The Fund usually holds fewer than 50 stocks.</p> <p>The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.</p> <p>The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive ESG Tilt as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
Investment Strategy	<p>Investment Approach</p> <p>The Fund employs a bottom-up stock picking approach, driven by the financial analysis of individual companies. Dividend yield is not the primary consideration for stock selection.</p> <p>The Investment Manager aims to create a diversified portfolio with exposure to a broad range of countries and sectors. Stocks with different drivers of dividend growth are selected to construct a portfolio that has the potential to cope in a variety of market conditions.</p> <p>Investment Manager's ESG Classification</p> <p>The Fund is categorised as Planet+ / ESG Enhanced.</p> <p>The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.</p>
EU Sustainable Finance Disclosure Regulation	The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark	<p>MSCI ACWI Net Return Index</p> <p>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.</p> <p>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 and, as a result the Fund's performance may deviate significantly from the benchmark.</p> <p>The benchmark is shown in the share class currency.</p>
Profile of Typical Investor	<p>The Fund is designed for retail and Institutional Investors seeking to gain a combination of capital growth and raising income from a diversified portfolio that invests in a range of companies globally, and who have sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund is designed for investors who have an investment time horizon of at least five years.</p>
Reference Currency	USD
Currency Hedged Share Classes	Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Distribution Policy	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.
Main Risks	<p>The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.</p> <ul style="list-style-type: none"> • Capital & income will vary • Currency & exchange rate • Concentrated portfolio • Emerging markets • China • Smaller companies • Liquidity • Counterparty • ESG data • Investments exclusions <p>Investors should read the section "Risk Factors" for a full description of risks.</p>

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.75%	4.00%	-	-	-	0.05%	0.15%
B	2.25%	-	-	-	-	0.05%	0.15%
C	0.75%	1.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
GI	1.00%	-	-	-	-	0.01%	0.15%
J	Up to 0.75%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
X	1.75%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Global Dividend Fund
Legal Entity Identifier: 549300TRK90WIUZI3612

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

● ● ☐ Yes

● ● ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Positive ESG Tilt: Portfolio weighted average ESG score versus investment universe weighted average ESG score or versus the ESG score corresponding to the lowest numerical value of the MSCI A rating.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities. The Investment Manager favours issuers with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. This process should result in a portfolio with better ESG characteristics. In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective.

The Fund's ESG Criteria apply to at least:

- 90% of equities issued by large capitalisation companies in developed countries; debt securities, money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries;
- 75% of equities issued by large capitalisation companies in emerging market countries; equities issued by small and mid-capitalisation companies in any country; debt securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging market countries.

• What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's Positive ESG Tilt;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

• What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



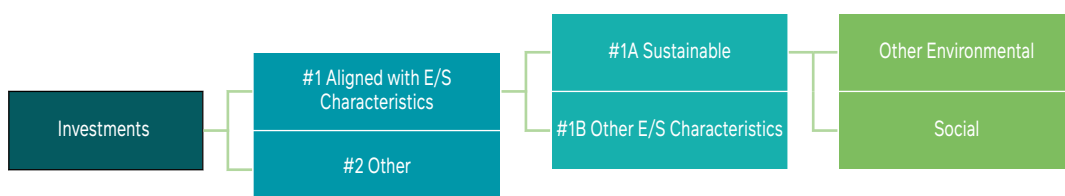
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the promoted environmental and/or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

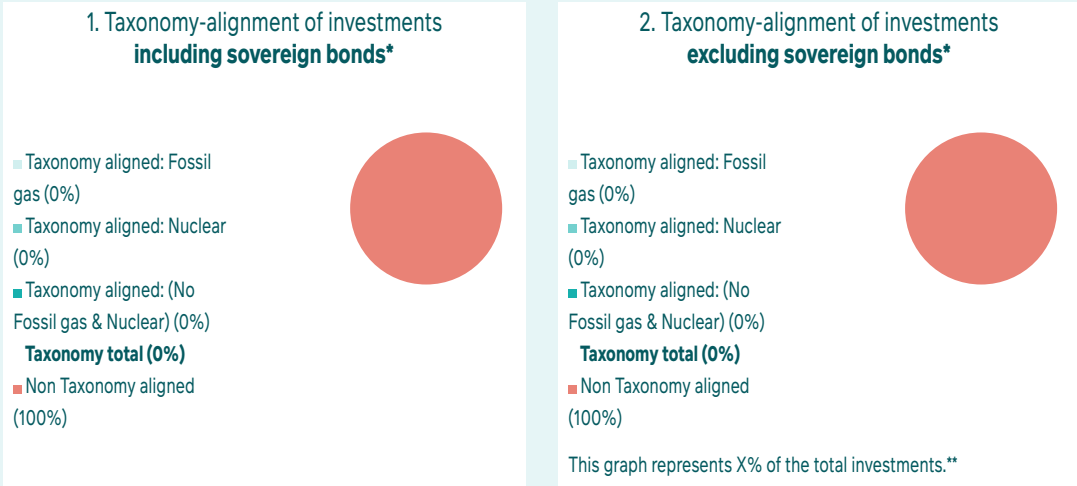
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

-  **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

-  **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds and derivatives as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Global Emerging Markets Fund

Launch Date	26 October 2018
Investment Objective	The Fund aims to provide a higher total return (capital growth plus income) than that of the global emerging markets equity market over any five-year period while applying ESG Criteria.
Investment Policy	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities, equity-related instruments and convertible bonds of companies domiciled in, or conducting the major part of their economic activity in, emerging markets. The Fund may hold up to 10% of its Net Asset Value in convertible bonds.</p> <p>The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.</p> <p>The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive ESG Tilt as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
Investment Strategy	<p>Investment Approach</p> <p>The Fund employs a bottom-up stock picking approach to identify companies whose long-term prospects are, in the Investment Manager's opinion, being undervalued. The Fund's approach incorporates three elements: return on capital, valuations and corporate governance.</p> <p>It is the core belief of the Investment Manager that company-specific financial factors, in particular their profitability (which is measured in terms of return on capital), drive share prices over the long run. The Fund's country and sector exposure is not influenced by financial top-down views.</p> <p>Investment Manager's ESG Classification</p> <p>The Fund is categorised as Planet+ / ESG Enhanced.</p> <p>The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.</p>

EU Sustainable Finance Disclosure Regulation The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark MSCI Emerging Markets Net Return Index

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 and, as a result, the Fund's performance may deviate significantly from the benchmark.

The benchmark is shown in the share class currency.

Profile of Typical Investor The Fund is designed for retail and Institutional Investors seeking to gain a combination of capital growth and income through exposure to emerging markets, and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency USD

Currency Hedged Share Classes Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Distribution Policy If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

Main Risks The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Emerging markets
- China
- Currency & exchange rate
- Liquidity
- Specific asset class, region or sector
- Smaller companies
- Counterparty
- Convertible bonds
- ESG data
- Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.75%	4.00%	-	-	-	0.05%	0.15%
B	2.25%	-	-	-	-	0.05%	0.15%
C	0.75%	1.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.75%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
L	Up to 0.75%	1.25%	-	-	-	0.05%	0.15%
LI	Up to 0.75%	1.25%	-	-	-	0.01%	0.15%
X	1.75%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Global Emerging Markets Fund
Legal Entity Identifier: 54930005JJ2DZTKZDJ63

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Positive ESG Tilt: Portfolio weighted average ESG score versus investment universe weighted average ESG score or versus the ESG score corresponding to the lowest numerical value of the MSCI A rating.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities. The Investment Manager favours issuers with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. This process should result in a portfolio with better ESG characteristics. In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective.

The Fund's ESG Criteria apply to at least:

- 90% of equities issued by large capitalisation companies in developed countries; debt securities, money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries;
- 75% of equities issued by large capitalisation companies in emerging market countries; equities issued by small and mid-capitalisation companies in any country; debt securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging market countries.

• What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's Positive ESG Tilt;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

• What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



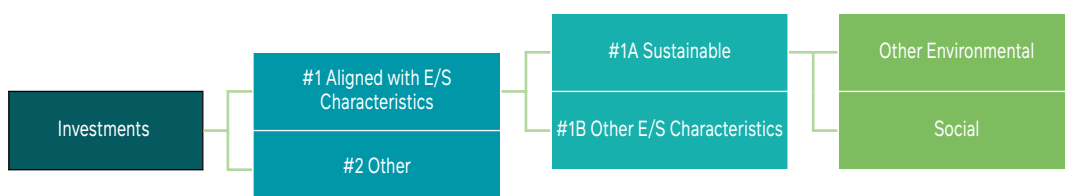
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the promoted environmental and/or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

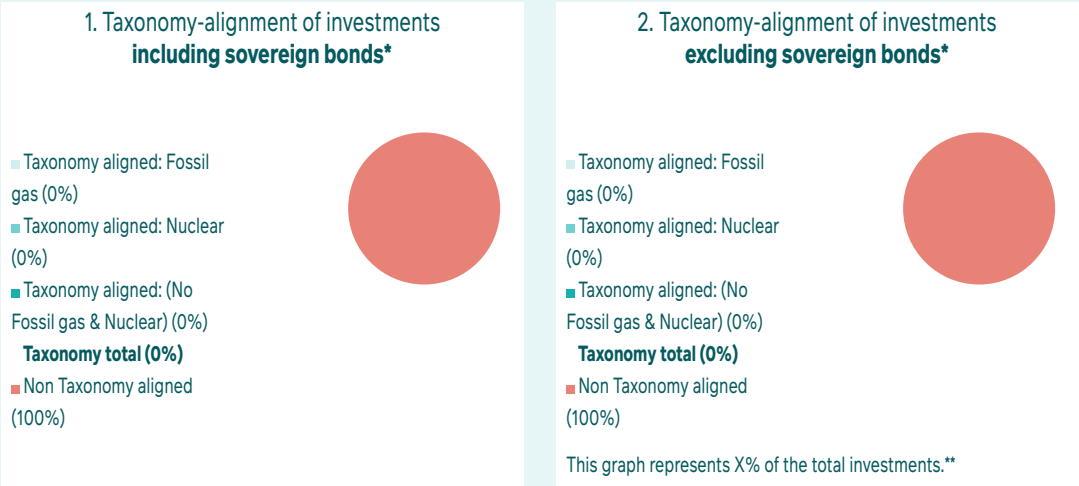
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?
5%



What is the minimum share of socially sustainable investments?
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds and derivatives as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Global Listed Infrastructure Fund

Launch Date 5 October 2017

Investment Objective The Fund has two aims:

- to deliver a higher total return (the combination of capital growth and income) than that of the global equities market over any five-year period while applying ESG Criteria; and
- to deliver an income stream that increases every year in US Dollar terms.

Investment Policy

The Fund invests at least 80% of its Net Asset Value in eligible publicly-listed equity securities, equity-related instruments and convertible bonds issued by infrastructure companies, investment trusts and closed-ended real estate investment trusts ("REITs") across any market capitalisation that are domiciled in any country, including emerging markets.

The minimum 80% allocation may include ordinary shares, preference shares and convertible bonds (the Fund may hold up to a maximum of 20% of its Net Asset value in convertible bonds). Infrastructure companies include those involved in the following business activities: utilities, energy, transport, health, education, security, communications and transactions. The Fund is expected to exhibit lower volatility and offer a higher dividend yield than the global equities market which is consistent with the characteristics of infrastructure securities. The Fund usually holds fewer than 50 stocks.

The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach, that are SDG-contributing with a Positive ESG Tilt as described in the precontractual annex to this Fund Supplement.

The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.

Investment Strategy

Investment Approach

The Fund employs a bottom-up stock picking approach, driven by the fundamental analysis of individual companies. Dividend yield is not the primary consideration for stock selection.

The Investment Manager aims to create a diversified portfolio with exposure to a broad range of countries and sectors. Stocks with different drivers of dividend growth are selected to construct a portfolio that has the potential to cope in a variety of market conditions.

The Investment Manager seeks to invest in companies with excellent capital discipline and the potential for long-term dividend growth. The Investment Manager believes rising dividends create upward pressure on the value of shares.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation **The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.**

Benchmark

MSCI ACWI Net Return Index

The above benchmark is the primary 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 benchmarks' constituents.

The benchmark is shown in the share class currency.

From 1 October 2024: Additional benchmark:

FTSE Global Core Infrastructure 50/50 Net Return Index

The above benchmark is an additional benchmark for comparison purposes, for investors who may wish to see a comparison of the Fund's performance versus a listed infrastructure index.

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 benchmarks' constituents.

The benchmark is shown in the share class currency.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to gain a combination of capital growth and rising income from a diversified equity portfolio that invests in the publicly-listed equity securities issued by infrastructure companies, investment trusts and REITs across any market capitalisation that are domiciled in any country and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objectives. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency USD

Currency Hedged Share Class Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Distribution Policy If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.

Main Risks The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Currency & exchange rate
- Concentrated portfolio
- Emerging markets
- China
- Specific asset class, region or sector
- Smaller companies
- Convertible bonds
- Liquidity
- Counterparty
- ESG data
- Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.75%	4.00%	-	-	-	0.05%	0.15%
B	2.25%	-	-	-	-	0.05%	0.15%
C	0.75%	1.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.75%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
L	0.50%	1.25%	-	-	-	0.05%	0.15%
LI	0.50%	1.25%	-	-	-	0.01%	0.15%
N	Up to 1.75%	4.00%	-	-	-	0.05%	0.15%
X	1.75%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Global Listed Infrastructure Fund
Legal Entity Identifier: 222100K85SU14IF7PW30

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
 ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
 ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
 ☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach, a Positive ESG Tilt, and that it makes investments that are SDG-contributing (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society and to assist it in delivering more sustainable outcomes (“Exclusionary Approach”).

The Fund maintains a weighted average ESG rating that is either

- higher than that of the equity market as represented by its investment universe; or
- equivalent to at least an MSCI A rating, whichever is lower (“Positive ESG Tilt”).

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

The Fund considers the UN Sustainable Development Goals (SDGs) as part of its investment process and the sustainability themes considered by the Investment Manager are based on the SDGs as a relevant framework to measure contribution to sustainability factors (“SDG-contribution”).

For further information on the Fund’s exclusions, please refer to the Fund’s website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund’s promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted

- What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

170.1

by the financial product are attained.

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- SDG-contribution: Percentage (%) of investments by value that is SDG-contributing
- Positive ESG Tilt: Portfolio weighted average ESG score versus investment universe weighted average ESG score or versus the ESG score corresponding to the lowest numerical value of the MSCI A rating

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

● **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

● **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

Sustainability considerations, encompassing ESG factors, are fully integrated into analysis and investment decisions, and play an important role in determining the investment universe and portfolio construction.

The Fund considers the UN Sustainable Development Goals (SDGs) as part of its investment process and the sustainability themes considered by the Investment Manager are based on the SDGs as a relevant framework to measure contribution to sustainability factors ("SDG-contribution").

For the avoidance of doubt this assessment can include contribution towards more than one SDG as part of a broader theme.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then identifies the companies that are considered suitable for further analysis. The Investment Manager analyses these companies from an ESG perspective using a proprietary infrastructure sector-specific quality assessment. This includes an assessment of ESG Factors, alongside other financial and operational characteristics. Following the ESG-related quality assessment, the Investment Manager then quantifies ESG risks for these companies, to determine whether these have been accounted for in a company's valuation.
3. From this narrowed investment universe, the Investment Manager then performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics as set out in the section "What is the asset allocation planned for this financial product?";
- Minimum levels of sustainable investments as set out in the section "What is the asset allocation planned for this financial product?"; and
- The Fund's positive ESG Tilt.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

20%

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



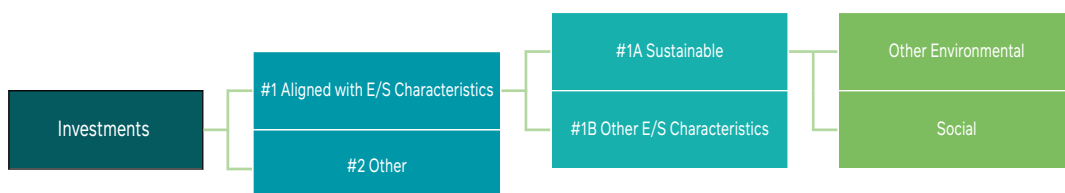
What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the fund to be aligned to the promoted E/S characteristics. At least 40% of the fund will be in Sustainable Investments.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the promoted environmental and/or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

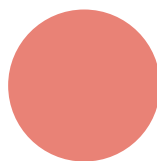
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

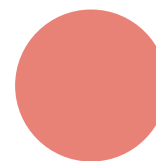
1. Taxonomy-alignment of investments including sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
 ■ Taxonomy aligned: Nuclear (0%)
 ■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
 ■ Non Taxonomy aligned (100%)



2. Taxonomy-alignment of investments excluding sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
 ■ Taxonomy aligned: Nuclear (0%)
 ■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
 ■ Non Taxonomy aligned (100%)



This graph represents X% of the total investments.**

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● **What is the minimum share of investments in transitional and enabling activities?**
 0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

5%



What is the minimum share of socially sustainable investments?

5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds and derivatives as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics. It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Global Maxima Fund

Launch Date	11 December 2019
Investment Objective	The Fund aims to deliver a higher total return (the combination of capital growth and income) than that of the global equity market over any five-year period.
Investment Policy	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities and equity-related instruments of companies across any sector and market capitalisation that are domiciled in any country, including emerging markets.</p> <p>The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect or via the QFI status granted to the Investment Manager.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>Derivatives may be used for efficient portfolio management and hedging.</p>
Investment Strategy	<p>Investment Approach</p> <p>The Fund systematically employs a bottom-up stock picking approach, driven by quantitative analysis of individual companies. The Investment Manager uses proprietary data analysis and machine learning techniques to help identify stocks that are expected to outperform the global equity market and as a result, maximise the Fund's outperformance.</p> <p>From the Fund's investable universe, each stock is assessed based on its likelihood of outperforming the global equity market. The Investment Manager then uses these assessments to determine which stocks to include in the portfolio.</p> <p>Responsible Investment Approach</p> <p>The Fund is categorised as ESG Integrated.</p> <p>The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.</p>
EU Sustainable Finance Disclosure Regulation	<p>SFDR</p> <p>The Fund is categorised as an Article 6 fund under SFDR. This Fund does not promote environmental or social characteristics, therefore, the Investment Manager does not systematically consider the adverse impacts of its investment decisions on Sustainability Factors. The Fund does consider sustainability risks and their impacts as detailed in the section "Sustainability Risks".</p> <p>Taxonomy Regulation</p>

The Fund's underlying investments do not take into account the EU criteria for environmentally sustainable economic activities.

**Performance
Comparator**

MSCI ACWI Net Return Index

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.

The benchmark is shown in the share class currency.

**Profile of Typical
Investor**

The Fund is designed for retail and Institutional Investors seeking to gain a combination of capital growth and raising income from a diversified portfolio that invests in a range of companies globally, but who appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency

USD

**Currency Hedged Share
Classes**

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Currency & exchange rate
- Concentrated portfolio
- Emerging markets
- China
- Smaller companies
- Liquidity
- Counterparty

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.75%	4.00%	-	-	-	0.05%	0.15%
B	2.25%	-	-	-	-	0.05%	0.15%
C	0.75%	1.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
L	Up to 0.75%	1.25%	-	-	-	0.05%	0.15%
LI	Up to 0.75%	1.25%	-	-	-	0.01%	0.15%
X	1.75%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	-	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

No Administration Charge is charged to Z and ZI Share Classes. All the fees and charges allocated to these Classes are administratively levied and collected directly from the investor by the Management Company.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

M&G (Lux) Global Sustain Paris Aligned Fund

Launch Date 9 November 2018

Investment Objective The Fund has two aims:

- Financial objective: to provide a higher total return (capital growth plus income) than that of the global equity market over any five-year period; and
- Sustainable objective: to invest in companies that contribute towards the Paris Agreement climate change goal.

Investment Policy

The Fund invests at least 80% of its Net Asset Value in the equity securities and equity-related instruments of sustainable companies across any sector and market capitalisation that are domiciled in any country, including emerging markets. The Fund has a concentrated portfolio of usually fewer than 40 companies.

The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive ESG Outcome, in addition to its sustainable investment strategy used in pursuit of the sustainable investment objective, as described in the precontractual annex to this Fund Supplement.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

The Fund may use derivatives for efficient portfolio management and hedging.

Investment Strategy

Investment Approach

The Fund is a focused core global equity fund, making long-term investments in sustainable companies which contribute to the long-term global warming objectives of the Paris Agreement, by either having a Low and/or a Reducing Carbon Intensity, as explained in the precontractual annex to this Fund Supplement.

These companies need to demonstrate sustainable business models competitively positioned to protect their profitability. Importantly, the Investment Manager invests in businesses where short-term issues have provided a clear valuation opportunity.

The Fund employs a bottom-up stock picking approach, driven by the fundamental analysis of individual companies.

The Investment Manager believes that this approach offers a powerful combination, providing the long-term compounded value of quality businesses, as well as the potential boost to a company's share price when a short-term issue has been resolved.

The Investment Manager selects the most suitable assets to build a concentrated and high-conviction portfolio.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / Sustainable.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation **The Fund is categorised as an Article 9 fund under SFDR, and information about its sustainable investment is described in the precontractual annex to this Fund Supplement.**

Benchmark

MSCI World Net Return Index

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 financial objective.

The benchmark is also used to define a Low Carbon Intensity company. The Investment Manager considers the Fund's weighted average carbon intensity against the benchmark when constructing the portfolio, but the benchmark does not otherwise constrain the Fund's portfolio construction.

The Fund is actively managed and within given constraints, the Investment Manager has 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, and as a result the Fund's performance may deviate materially from the benchmark.

The benchmark is shown in the share class currency.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking a combination of capital growth and income from a portfolio that invests in a range of companies globally, that contribute to the Paris Agreement climate change goal and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency

USD

Currency Hedged Share Classes

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Emerging markets
- Currency & exchange rate

- Concentrated portfolio
- Smaller companies
- Liquidity
- Counterparty
- ESG data
- Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.75%	5.00%	-	-	-	0.05%	0.15%
B	2.25%	-	-	-	-	0.05%	0.15%
C	0.75%	3.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.75%	3.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
N	Up to 1.75%	5.00%	-	-	-	0.05%	0.15%
X	1.75%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	3.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Global Sustain Paris Aligned Fund
Legal Entity Identifier: 549300IT00LV3HDN7Z63

Sustainable investment objective

Does this financial product have a sustainable investment objective?

● ● ☒ Yes

● ● ☐ No

☒ It will make a minimum of **sustainable investments with an environmental objective: 80%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:**

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What is the sustainable investment objective of this financial product?

To invest in companies that contribute towards the Paris Agreement climate change goal.

● What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

Fund level sustainability indicators:

- Percentage (%) of NAV committed to Science-Based Targets (SBTs)
- Percentage (%) of NAV with ratified Science-Based Targets
- Percentage (%) of NAV participating in Task Force on Climate-Related Financial Disclosures (TCFD) reporting
- Total renewable energy produced (megawatt hours)
- The weighted average carbon intensity (WACI) of the Fund relative to the WACI for the investment universe

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature

Security level sustainability indicators:

- Avoided carbon emissions – for companies that provide direct solutions to the climate challenge via their products and services

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful.
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment.

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The Fund invests in Low Carbon Intensity Companies and Reducing Carbon Intensity Companies.

Low Carbon Intensity Companies have a carbon intensity lower than 50% of the weighted average carbon intensity of the Fund's investment universe, and an ongoing commitment to decarbonisation.

Reducing Carbon Intensity Companies have science based targets aligned with the Paris Agreement or have committed to have them in place within a defined time period, and an ongoing commitment to decarbonisation.

The Fund also considers non-mandatory factors such as whether companies are providing solutions to the climate change challenge.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund will typically have a weighted average carbon intensity of less than half of its investment universe ("Positive ESG Outcome").

Sustainability considerations, encompassing ESG factors, are fully integrated into analysis and investment decisions, and play an important role in determining the investment universe and portfolio construction.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then assesses the sustainability credentials of the remaining companies. Potential investments are identified by reference to their carbon intensity and whether they provide solutions to the climate change challenge. The Investment Manager analyses these companies using internal and external research, combining qualitative and quantitative methods with an assessment of ESG Factors to build a watchlist of companies assessed to have sustainable business models.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective. The Investment Manager favours issuers with lower carbon intensity where this is not detrimental to the pursuit of the investment objective. This process typically results in a portfolio with lower carbon intensity than less than half of its investment universe. In constructing a portfolio which favours investments with lower carbon intensity, the Investment Manager may nonetheless invest in investments across the full spectrum of carbon intensity. The Fund's calculation methodology does not include those securities that do not have carbon intensity data respectively, or cash, near cash, some derivatives and some collective investment schemes.

- **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's asset allocation, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Please note that the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is non-binding where the reason for holding less than such minimum is because Taxonomy-aligned investments are held instead (as all such investments are sustainable investments with environmental objectives).

- **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates data driven quantitative good governance tests used to consider investments into companies. The Investment Manager excludes investments in securities that are considered as failing the Investment Manager's good governance tests. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

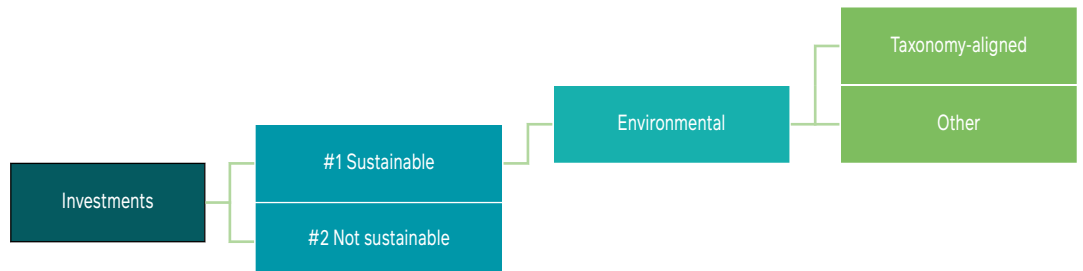
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation and the minimum share of sustainable investments?

The Investment Manager expects at least 80% of the Fund to be invested in environmental sustainable investments, in pursuit of the environmental sustainable investment objective.

The Fund is not required to favour any specific type of environmental sustainable investment.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

Derivatives are not used to attain the sustainable investment objective.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

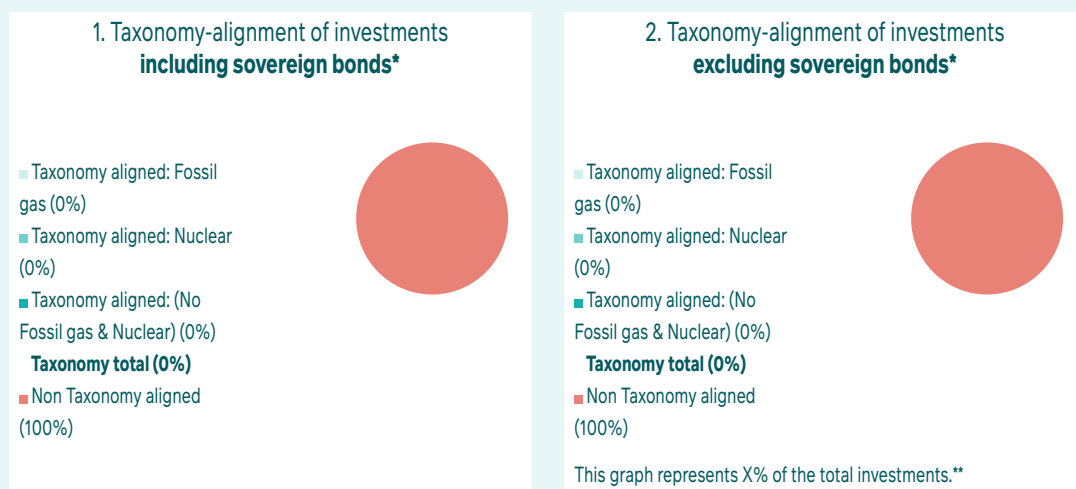
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
80%



- **What is the minimum share of sustainable investments with a social objective?**
0%



- **What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, and derivatives as “Other” investments, for hedging purposes or in connection with cash held for ancillary liquidity. No minimum environmental or social safeguards are applied, other than as stated below.

Where derivatives are used to take investment exposure to diversified financial indices, these will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

It is also possible that the Fund may hold investments that are not in line with the sustainable investment objective, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



- **Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

No

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?
More product-specific information can be found on the website:
www.mandg.com/country-specific-fund-literature

M&G (Lux) Global Themes Fund

Launch Date	19 March 2019
Investment Objective	The Fund aims to provide a higher total return (capital growth plus income) than that of the global equity market over any rolling five-year period while applying ESG Criteria.
Investment Policy	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities and equity-related instruments of companies across any sector and market capitalisation that are domiciled in any country, including emerging markets.</p> <p>The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive ESG Tilt as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.</p> <p>Derivatives may be used for Efficient Portfolio Management and hedging.</p>
Investment Strategy	<p>Investment Approach</p> <p>The investment approach combines thematic research and financial analysis of individual companies. The Investment Manager aims to identify long-term themes driven by structural trends, and selects companies that can benefit from these structural changes. The Investment Manager seeks to identify well-managed companies whose long-term prospects are not fully appreciated by the stock market. The Fund aims to be diversified across a broad range of countries and sectors.</p> <p>Investment Manager's ESG Classification</p> <p>The Fund is categorised as Planet+/ESG Enhanced.</p> <p>The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.</p>
EU Sustainable Finance Disclosure Regulation	The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.
Benchmark	<p>MSCI ACWI Net Return Index</p> <p>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</p>

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 and as a result the Fund's performance may deviate significantly from the benchmark.

The benchmark is shown in the share class currency.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to gain a combination of capital growth and income from a portfolio that invests in a range of companies globally and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objectives. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency

USD

Currency Hedged Share Classes

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Currency & exchange rate
- Emerging markets
- China
- Specific asset class, region or sector
- Smaller companies
- Liquidity
- Counterparty
- ESG data
- Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.75%	5.00%	-	-	-	0.05%	0.15%
B	2.25%	-	-	-	-	0.05%	0.15%
C	0.75%	3.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.75%	3.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
X	1.75%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	3.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Global Themes Fund
Legal Entity Identifier: 2549003Q1RX8JB20XW74

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

● ● ☐ Yes

● ● ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach").

Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

The Fund maintains a weighted average ESG rating that is either

1. higher than that of the equity market as represented by its investment universe; or
2. equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt").

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

• What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Positive ESG Tilt: Portfolio weighted average ESG score versus investment universe weighted average ESG score or versus the ESG score corresponding to the lowest numerical value of the MSCI A rating.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities. The Investment Manager favours issuers with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. This process should result in a portfolio with better ESG characteristics. In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective.

The Fund's ESG Criteria apply to at least:

- 90% of equities issued by large capitalisation companies in developed countries; debt securities, money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries;
- 75% of equities issued by large capitalisation companies in emerging market countries; equities issued by small and mid-capitalisation companies in any country; debt securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging market countries.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's Positive ESG Tilt;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

20%

Whilst any commitment on the minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy as a result of the Fund's exclusions is intended to be binding, as this is calculated by considering the Fund's exclusions against a proxy for the investment universe (such as a financial index) outside the control of the Investment Manager, and as additional exclusions will require an update of fund materials, it is possible that the Fund may temporarily be out of compliance with this commitment.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



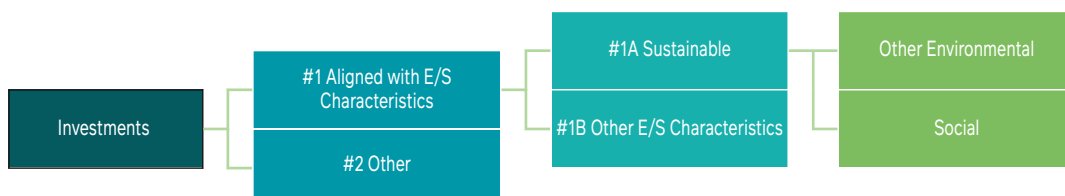
Asset allocation describes the share of investments in specific assets.

- **What is the asset allocation planned for this financial product?**

The Investment Managers expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the promoted environmental and/or social characteristics.



- **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

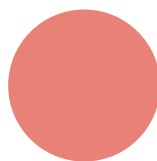
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

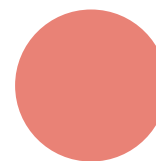
1. Taxonomy-alignment of investments including sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
 ■ Taxonomy aligned: Nuclear (0%)
 ■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
 ■ Non Taxonomy aligned (100%)



2. Taxonomy-alignment of investments excluding sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
 ■ Taxonomy aligned: Nuclear (0%)
 ■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
 ■ Non Taxonomy aligned (100%)



This graph represents X% of the total investments.**

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● **What is the minimum share of investments in transitional and enabling activities?**
 0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

5%



What is the minimum share of socially sustainable investments?

5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds and derivatives as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Japan Fund

Launch Date	26 October 2018
Investment Objective	The Fund aims to provide a higher total return (capital growth plus income) than that of the Japanese equity market over any five-year period while applying ESG Criteria.
Investment Policy	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities and equity-related instruments of companies that are domiciled in, or conducting the major part of their economic activity in, Japan. The Fund usually holds fewer than 50 stocks.</p> <p>The Investment Manager believes that market mispricings can and often do occur because psychological factors (i.e. behavioural biases) may prevent investors from always assessing investments rationally. As a result, market prices do not always reflect fundamental values.</p> <p>The Investment Manager believes that it is possible to profit systematically from such behavioural biases that are prevalent in the Japanese equity market.</p> <p>The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive ESG Tilt as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
Investment Strategy	<p>Investment Approach</p> <p>The Investment Manager aims to take advantage of market mispricings by adopting a disciplined, long-term investment approach. The Fund screens a wide investment universe to form a focused list of stocks which will trade on low valuations relative to their history and the market. These companies are then subject to disciplined and rigorous financial analysis. Attaining an understanding of a company's sustainable earnings ensures our financial analysis leads to a high level of conviction for each of the companies held in the Fund.</p> <p>The Investment Manager aims to construct a reasonably diversified portfolio and expects stock selection to be the main driver of performance.</p> <p>Investment Manager's ESG Classification</p> <p>The Fund is categorised as Planet+ / ESG Enhanced.</p>

	<p>The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.</p>
EU Sustainable Finance Disclosure Regulation	<p>The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.</p>
Benchmark	<p>MSCI Japan Net Return Index</p> <p>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.</p> <p>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 and, as a result, the Fund's performance may deviate significantly from the benchmark.</p> <p>The benchmark is shown in the share class currency.</p>
Profile of Typical Investor	<p>The Fund is designed for retail and Institutional Investors seeking long-term capital growth and income through investment in Japanese securities and have sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund is designed for investors who have an investment time horizon of at least five years.</p>
Reference Currency	JPY
Currency Hedged Share Class	<p>Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.</p>
Distribution Policy	<p>If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.</p>
Main Risks	<p>The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.</p> <ul style="list-style-type: none"> • Capital & income will vary • Currency & exchange rate • Concentrated portfolio • Specific asset class, region or sector • Smaller companies • Liquidity • Counterparty • ESG data • Investments exclusions

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.50%	5.00%	-	-	-	0.05%	0.15%
B	2.00%	-	-	-	-	0.05%	0.15%
C	0.75%	3.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.75%	3.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
L	0.35%	1.25%	-	-	-	0.05%	0.15%
LI	0.35%	1.25%	-	-	-	0.01%	0.15%
X	1.50%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	3.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Japan Fund
Legal Entity Identifier: 549300OR1ZG2XAP7AU07

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

The Fund maintains a weighted average ESG rating that is either

1. higher than that of the equity market as represented by its investment universe; or
2. equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt")

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

• What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Positive ESG Tilt: Portfolio weighted average ESG score versus investment universe weighted average ESG score or versus the ESG score corresponding to the lowest numerical value of the MSCI A rating.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities. The Investment Manager favours issuers with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. This process should result in a portfolio with better ESG characteristics. In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective.

The Fund's ESG Criteria apply to at least:

- 90% of equities issued by large capitalisation companies in developed countries; debt securities, money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries;
- 75% of equities issued by large capitalisation companies in emerging market countries; equities issued by small and mid-capitalisation companies in any country; debt securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging market countries.

• What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's Positive ESG Tilt;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?"

• What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test.

When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



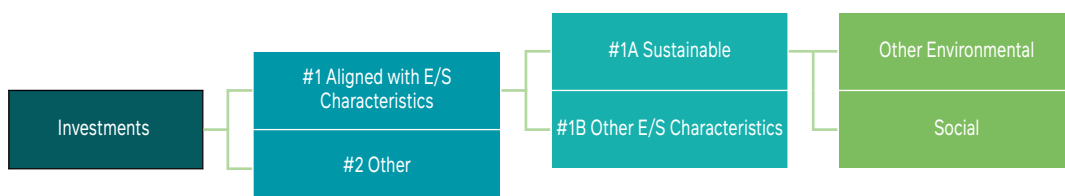
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the promoted environmental and/or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

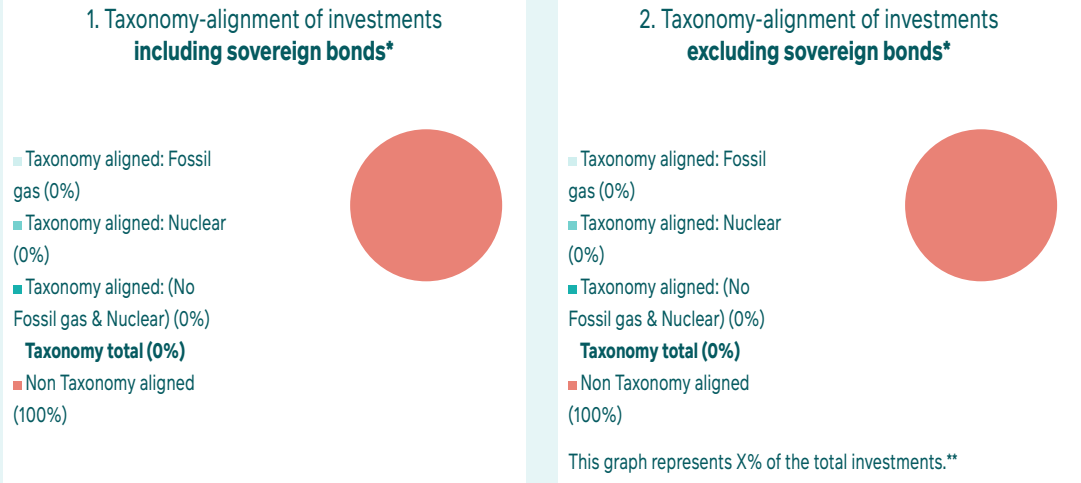
- ☐ Yes:
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● What is the minimum share of investments in transitional and enabling activities?
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?
5%



What is the minimum share of socially sustainable investments?
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds and derivatives as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Japan Smaller Companies Fund

Launch Date	26 October 2018
Investment Objective	The Fund aims to provide a higher total return (capital growth plus income) than that of the Japanese Smaller Companies equity market over any five-year period while applying ESG Criteria.
Investment Policy	<p>The Fund invests at least 80% of its Net Asset Value in equity securities and equity-related instruments of smaller companies that are incorporated, domiciled, or do most of their business in Japan.</p> <p>Smaller companies are defined as the bottom half in terms of total market capitalisation of all publicly listed companies in Japan.</p> <p>The Fund usually holds a portfolio of fewer than 60 companies.</p> <p>The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive ESG Tilt as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors</p> <p>Derivatives may be used for efficient portfolio management and hedging.</p>
Investment Strategy	<p>Investment Approach</p> <p>The Fund employs a disciplined approach to investment which concentrates on the analysis and selection of individual companies.</p> <p>The investment approach filters the Fund's investment universe down to a focused list of companies whose shares trade on low valuations relative to their history and the market.</p> <p>These companies are then subject to rigorous financial analysis to attain an understanding of a company's sustainable earnings. This financial analysis leads to a high level of conviction for each of the companies held in the Fund.</p> <p>The Investment Manager expects stock selection to be the main driver of performance.</p> <p>Investment Manager's ESG Classification</p> <p>The Fund is categorised as Planet+ / ESG Enhanced.</p> <p>The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.</p>

EU Sustainable Finance Disclosure Regulation	The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.
Benchmark	<p>Russell/Nomura Mid-Small Cap Net Return Index</p> <p>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.</p> <p>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 and, as a result, the Fund's performance may deviate significantly from the benchmark.</p> <p>The benchmark is shown in the share class currency.</p>
Profile of Typical Investor	<p>The Fund is designed for retail and Institutional Investors seeking long-term capital growth and income through investment in smaller capitalisation Japanese securities. The Fund is designed for investors who have sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund is designed for investors who have an investment time horizon of at least five years.</p>
Reference Currency	JPY
Currency Hedged Share Class	Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Distribution Policy	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.
Main Risks	<p>The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.</p> <ul style="list-style-type: none"> • Capital & income will vary • Currency & exchange rate • Concentrated portfolio • Specific asset class, region or sector • Smaller companies • Liquidity • Counterparty • ESG data • Investments exclusions <p>Investors should read the section "Risk Factors" for a full description of risks.</p>

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.50%	5.00%	-	-	-	0.05%	0.15%
B	2.00%	-	-	-	-	0.05%	0.15%
C	0.75%	3.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
X	1.50%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	3.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Japan Smaller Companies Fund
Legal Entity Identifier: 549300QUHQWF3GEVSU46

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Positive ESG Tilt: Portfolio weighted average ESG score versus investment universe weighted average ESG score or versus the ESG score corresponding to the lowest numerical value of the MSCI A rating.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities. The Investment Manager favours issuers with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. This process should result in a portfolio with better ESG characteristics. In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective.

The Fund's ESG Criteria apply to at least:

- 90% of equities issued by large capitalisation companies in developed countries; debt securities, money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries;
- 75% of equities issued by large capitalisation companies in emerging market countries; equities issued by small and mid-capitalisation companies in any country; debt securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging market countries.

• What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's Positive ESG Tilt;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

• What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

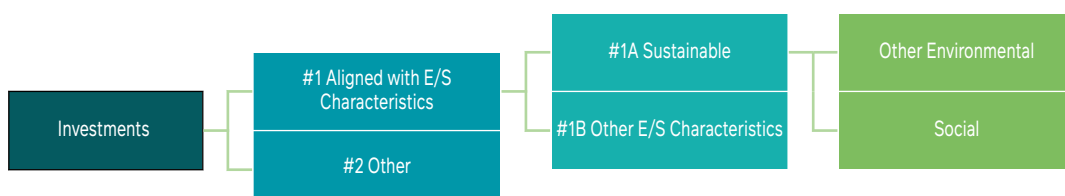
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the promoted environmental and/or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

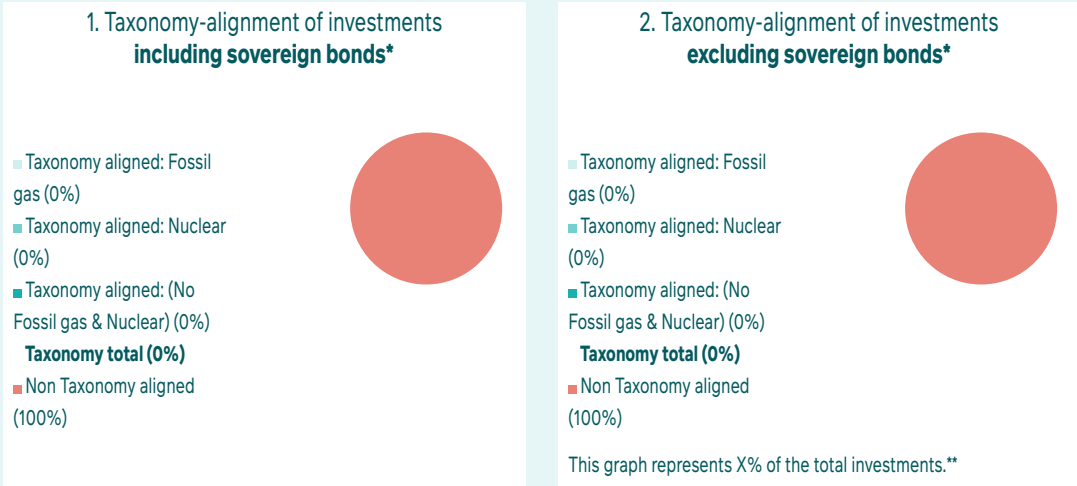
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- What is the minimum share of investments in transitional and enabling activities?
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?
5%



What is the minimum share of socially sustainable investments?
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds and derivatives as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) North American Dividend Fund

Launch Date	9 November 2018
Investment Objective	<p>The Fund has two aims:</p> <ul style="list-style-type: none"> to deliver a higher total return (capital growth plus income) than that of the US equity market over any five-year period while applying ESG Criteria; and to deliver an income stream that increases every year in US Dollar terms.
Investment Policy	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities and equity-related instruments of companies across any sector and market capitalisation that are domiciled in, or conducting the major part of their economic activity in, the US and Canada. The Fund usually holds fewer than 50 stocks.</p> <p>The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive ESG Tilt as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
Investment Strategy	<p>The Fund employs a bottom-up stock picking approach, driven by the financial analysis of individual companies. Dividend yield is not the primary consideration for stock selection.</p> <p>The Investment Manager aims to create a diversified portfolio with exposure to a broad range of sectors. Stocks with different drivers of dividend growth are selected to construct a portfolio that has the potential to cope in a variety of market conditions.</p> <p>Investment Manager's ESG Classification</p> <p>The Fund is categorised as Planet+ / ESG Enhanced.</p> <p>The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.</p>
EU Sustainable Finance Disclosure Regulation	The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.
Benchmark	<p>S&P 500 Net Total Return Index</p> <p>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</p>

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 and, as a result, the Fund's performance may deviate significantly from the benchmark.

The benchmark is shown in the share class currency.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to gain a combination of capital growth and rising income from a diversified equity portfolio that invests in a range of companies in North America and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency

USD

Currency Hedged Share Classes

Currency Hedged Share Classes seek to reduce the exposure of the holders of hedged Classes to movements in the material currencies within the Fund's portfolio.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Specific asset class, region or sector
- Concentrated portfolio
- Currency & exchange rate
- Smaller companies
- Liquidity
- Counterparty
- ESG data
- Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.50%	5.00%	-	-	-	0.05%	0.15%
B	2.00%	-	-	-	-	0.05%	0.15%
C	0.75%	3.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.75%	3.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
X	1.50%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	3.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) North American Dividend Fund
Legal Entity Identifier: 5493009NGVBL2IPQZP65

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

● ● ☐ Yes

● ● ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

The Fund maintains a weighted average ESG rating that is either

1. higher than that of the equity market as represented by its investment universe; or
2. equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt").

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Positive ESG Tilt: Portfolio weighted average ESG score versus investment universe weighted average ESG score or versus the ESG score corresponding to the lowest numerical value of the MSCI A rating.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities. The Investment Manager favours issuers with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. This process should result in a portfolio with better ESG characteristics. In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective.

The Fund's ESG Criteria apply to at least:

- 90% of equities issued by large capitalisation companies in developed countries; debt securities, money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries;
- 75% of equities issued by large capitalisation companies in emerging market countries; equities issued by small and mid-capitalisation companies in any country; debt securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging market countries.

• What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's Positive ESG Tilt;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

• What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



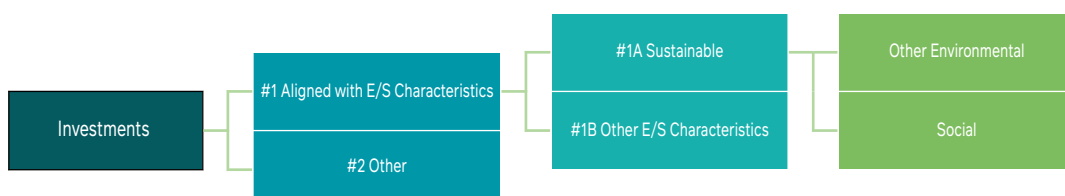
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the promoted environmental and/or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

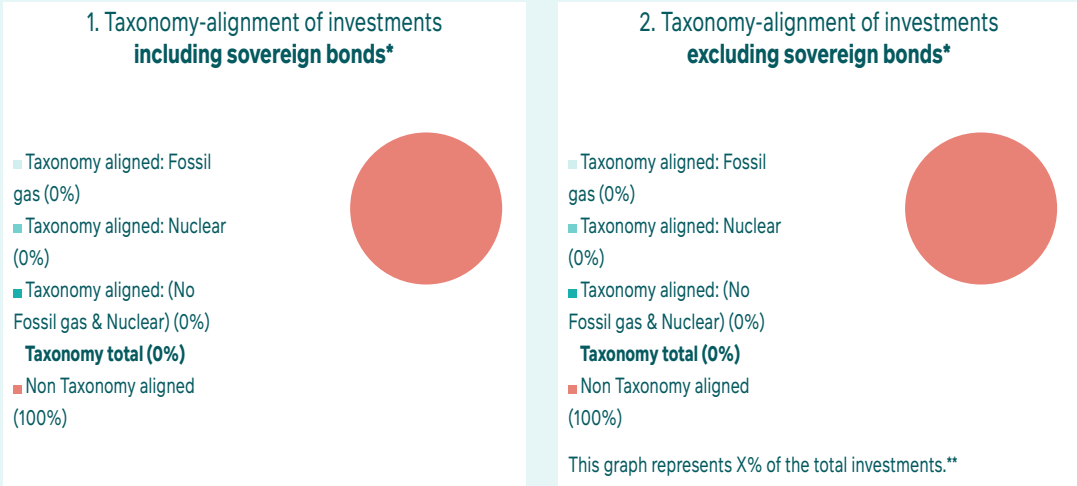
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

-  **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

-  **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds and derivatives as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) North American Value Fund

Launch Date	9 November 2018
Investment Objective	The Fund aims to provide a higher total return (capital growth plus income) than that of the US equity market over any five-year period while applying ESG Criteria.
Investment Policy	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities and equity-related instruments of companies across any sector and market capitalisation that are domiciled in, or conducting the major part of their economic activity in, the US and Canada.</p> <p>The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive ESG Tilt as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
Investment Strategy	<p>Investment Approach</p> <p>The Fund employs a bottom-up stock picking approach to identify shares of North American companies that the Investment Manager believes are undervalued. The Investment Manager seeks to identify companies that are mispriced, while trying to avoid firms that are cheap for a reason and whose share prices are unlikely to improve over time.</p> <p>The Fund's approach combines strict value-focused screening with rigorous qualitative analysis to ensure the Fund has a consistent and disciplined value bias, without compromising on the robustness of the companies in the portfolio.</p> <p>The main driver of returns is expected to be the value style and overall stock selection rather than any individual sector or stock.</p> <p>Investment Manager's ESG Classification</p> <p>The Fund is categorised as Planet+ / ESG Enhanced.</p> <p>The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.</p>
EU Sustainable Finance Disclosure Regulation	The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.
Benchmark	S&P 500 Net Total Return Index

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 and, as a result, the Fund's performance may deviate significantly from the benchmark.

The benchmark is shown in the share class currency.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking long term capital growth and income from a diversified equity portfolio that invests in a range of companies in North America and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency

USD

Currency Hedged Share classes

Currency Hedged Share Classes seek to reduce the exposure of the holders of hedged Share Classes to movements in the material currencies within the Fund's portfolio.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Specific asset class, region or sector
- Currency & exchange rate
- Smaller companies
- Liquidity
- Counterparty
- ESG data
- Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.50%	5.00%	-	-	-	0.05%	0.15%
B	2.00%	-	-	-	-	0.05%	0.15%
C	0.75%	3.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.75%	3.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
L	Up to 0.75%	1.25%	-	-	-	0.05%	0.15%
LI	Up to 0.75%	1.25%	-	-	-	0.01%	0.15%
X	1.50%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	3.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) North American Value Fund
Legal Entity Identifier: 549300JHS93E10IP4365

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

● ● ☐ Yes

● ● ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach").

Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

The Fund maintains a weighted average ESG rating that is either

1. higher than that of the equity market as represented by its investment universe; or
2. equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt").

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments

- Positive ESG Tilt: Portfolio weighted average ESG score versus investment universe weighted average ESG score or versus the ESG score corresponding to the lowest numerical value of the MSCI A rating.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities. The Investment Manager favours issuers with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. This process should result in a portfolio with better ESG characteristics. In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective.

The Fund's ESG Criteria apply to at least:

- 90% of equities issued by large capitalisation companies in developed countries; debt securities, money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries;
- 75% of equities issued by large capitalisation companies in emerging market countries; equities issued by small and mid-capitalisation companies in any country; debt securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging market countries.

• What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's Positive ESG Tilt;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?"

• What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test.

When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



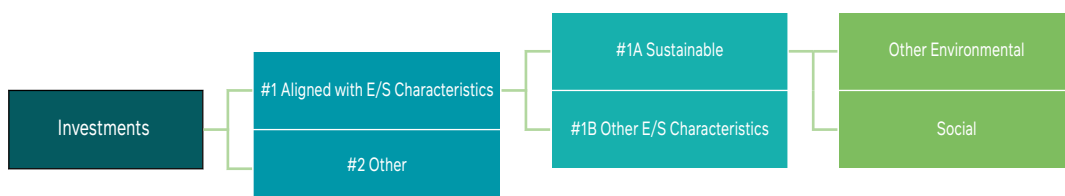
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the promoted environmental and/or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

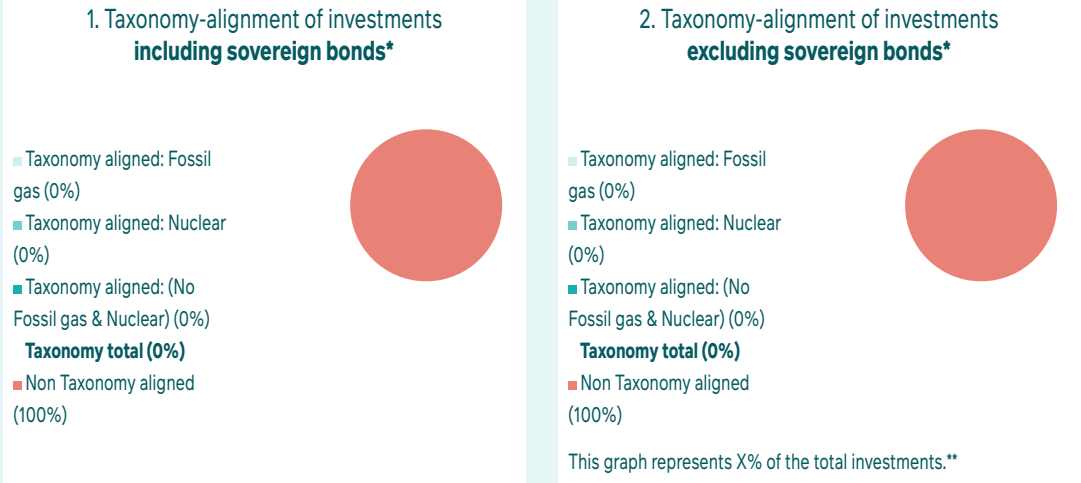
- ☐ Yes:
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● What is the minimum share of investments in transitional and enabling activities?
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?
5%



What is the minimum share of socially sustainable investments?
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds and derivatives as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Pan European Sustain Paris Aligned Fund

Launch Date	9 November 2018
Investment Objective	<p>The Fund has two aims:</p> <ul style="list-style-type: none"> Financial objective: to provide a higher total return (capital growth plus income) than that of the European equity market over any five-year period; and Sustainable objective: to invest in companies that contribute towards the Paris Agreement climate change goal.
Investment Policy	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities and equity-related instruments of sustainable companies across any sectors and market capitalisations that are domiciled in, or conducting the major part of their economic activity in, Europe. The Fund has a concentrated portfolio of usually fewer than 35 companies.</p> <p>The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive ESG Outcome, in addition to its sustainable investment strategy used in pursuit of the sustainable investment objective, as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>The Fund may use derivatives for efficient portfolio management and hedging.</p>
Investment Strategy	<p>Investment Approach</p> <p>The Fund is a focused European equity fund, making long-term investments in sustainable companies which contribute to the long-term global warming objectives of the Paris Agreement, by either having a Low and/or a Reducing Carbon Intensity, as explained in the precontractual annex to this Fund Supplement.</p> <p>These companies need to demonstrate sustainable business models competitively positioned to protect their profitability.</p> <p>Importantly, the Investment Manager invests in businesses where short-term issues have provided a clear valuation opportunity.</p> <p>The Fund employs a bottom-up stock picking approach, driven by the fundamental analysis of individual companies.</p> <p>The Investment Manager believes that this approach offers a powerful combination, providing the long-term compounded value of quality businesses, as well as the potential boost to a company's share price when a short-term issue has been resolved.</p>

The Investment Manager selects the most suitable assets to build a concentrated and high-conviction portfolio.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / Sustainable.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation **The Fund is categorised as an Article 9 fund under SFDR, and information about its sustainable investment is described in the precontractual annex to this Fund Supplement.**

Benchmark

MSCI Europe Net Return Index

The benchmark is a comparator against which the Fund's total return performance can be measured. The index has been chosen as the Fund's benchmark as it best reflects the Fund's financial objective. The benchmark is also used to define a Low Carbon Intensity company. The Investment Manager considers the Fund's weighted average carbon intensity against the benchmark when constructing the portfolio, but the benchmark does not otherwise constrain the Fund's portfolio construction.

The Fund is actively managed and within given constraints, the Investment Manager has 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, and as a result the Fund's performance may deviate materially from the benchmark.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking a combination of capital growth and income from a portfolio that invests in a range of European companies, that contribute to the Paris Agreement climate change goal and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency

EUR

Currency Hedged Share Classes

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Specific asset class, region or sector

- Concentrated portfolio
- Currency & exchange rate
- Smaller companies
- Liquidity
- Counterparty
- ESG data
- Investments exclusions

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.50%	5.00%	-	-	-	0.05%	0.15%
B	2.00%	-	-	-	-	0.05%	0.15%
C	0.75%	3.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.75%	3.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
L	Up to 0.75%	1.25%	-	-	-	0.05%	0.15%
LI	Up to 0.75%	1.25%	-	-	-	0.01%	0.15%
N	Up to 1.50%	5.00%	=	-	-	0.05%	0.15%
X	1.50%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	3.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Pan European Sustain Paris Aligned Fund
Legal Entity Identifier: 549300P77Z28WJUYV459

Sustainable investment objective

Does this financial product have a sustainable investment objective?

● ● ☒ Yes

● ● ☐ No

☒ It will make a minimum of **sustainable investments with an environmental objective: 80%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:**

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What is the sustainable investment objective of this financial product?

To invest in companies that contribute towards the Paris Agreement climate change goal.

● What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

Fund level sustainability indicators:

- Percentage (%) of NAV committed to Science-Based Targets (SBTs)
- Percentage (%) of NAV with ratified Science-Based Targets
- Percentage (%) of NAV participating in Task Force on Climate-Related Financial Disclosures (TCFD) reporting
- Total renewable energy produced (megawatt hours)
- The weighted average carbon intensity (WACI) of the Fund relative to the WACI for the investment universe

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature

Security level sustainability indicators:

- Avoided carbon emissions – for companies that provide direct solutions to the climate challenge via their products and services

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful.
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment.

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The Fund invests in Low Carbon Intensity Companies and Reducing Carbon Intensity Companies.

Low Carbon Intensity Companies have a carbon intensity lower than 50% of the weighted average carbon intensity of the Fund's investment universe, and an ongoing commitment to decarbonisation.

Reducing Carbon Intensity Companies have science based targets aligned with the Paris Agreement or have committed to have them in place within a defined time period, and an ongoing commitment to decarbonisation.

The Fund also considers non-mandatory factors such as whether companies are providing solutions to the climate change challenge.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund will typically have a weighted average carbon intensity of less than half of its investment universe ("Positive ESG Outcome").

Sustainability considerations, encompassing ESG factors, are fully integrated into analysis and investment decisions, and play an important role in determining the investment universe and portfolio construction.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then assesses the sustainability credentials of the remaining companies. Potential investments are identified by reference to their carbon intensity and whether they provide solutions to the climate change challenge. The Investment Manager analyses these companies using internal and external research, combining qualitative and quantitative methods with an assessment of ESG Factors to build a watchlist of companies assessed to have sustainable business models.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective. The Investment Manager favours issuers with lower carbon intensity where this is not detrimental to the pursuit of the investment objective. This process typically results in a portfolio with lower carbon intensity than less than half of its investment universe. In constructing a portfolio which favours investments with lower carbon intensity, the Investment Manager may nonetheless invest in investments across the full spectrum of carbon intensity. The Fund's calculation methodology does not include those securities that do not have carbon intensity data respectively, or cash, near cash, some derivatives and some collective investment schemes.

- **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's asset allocation, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Please note that the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is non-binding where the reason for holding less than such minimum is because Taxonomy-aligned investments are held instead (as all such investments are sustainable investments with environmental objectives).

- **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates data driven quantitative good governance tests used to consider investments into companies. The Investment Manager excludes investments in securities that are considered as failing the Investment Manager's good governance tests. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

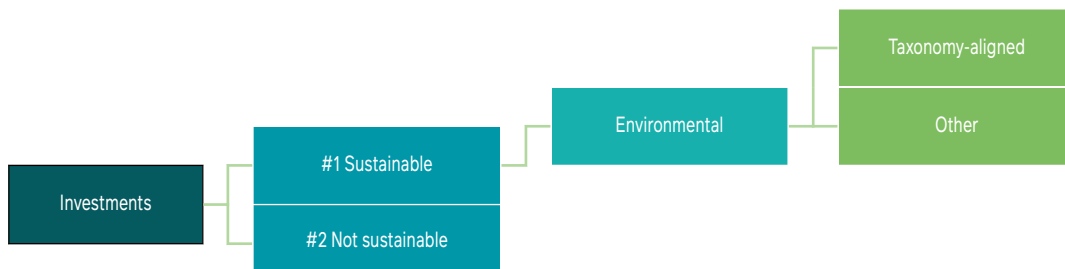
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation and the minimum share of sustainable investments?

The Investment Manager expects at least 80% of the Fund to be invested in environmental sustainable investments, in pursuit of the environmental sustainable investment objective.

The Fund is not required to favour any specific type of environmental sustainable investment.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

Derivatives are not used to attain the sustainable investment objective.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

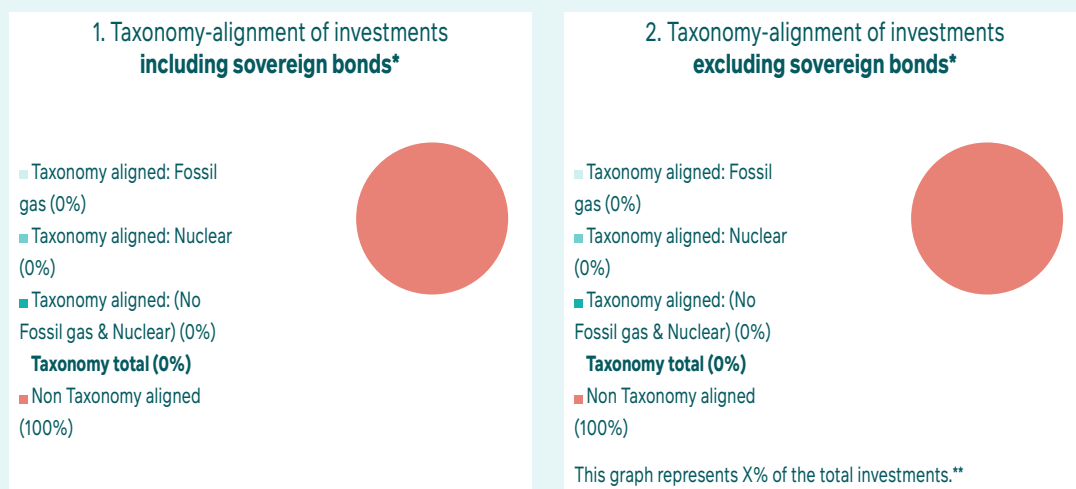
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
80%



- **What is the minimum share of sustainable investments with a social objective?**
0%



- **What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, and derivatives as “Other” investments, for hedging purposes or in connection with cash held for ancillary liquidity. No minimum environmental or social safeguards are applied, other than as stated below.

Where derivatives are used to take investment exposure to diversified financial indices, these will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

It is also possible that the Fund may hold investments that are not in line with the sustainable investment objective, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



- **Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

No

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Positive Impact Fund

Launch Date	29 November 2018
Investment Objective	<p>The Fund has two aims:</p> <ul style="list-style-type: none"> • Financial objective: to provide a higher total return (the combination of capital growth and income) than that of the global equity market over any five-year period; and • Impact objective: to invest in companies that have a positive societal impact through addressing the world's major social and/or environmental challenges.
Investment Policy	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities and equity-related instruments of companies across any sector and market capitalisation that are domiciled in any country, including emerging markets. The Fund has a concentrated portfolio and usually holds fewer than 40 stocks.</p> <p>The Fund invests in securities that meet the ESG Criteria, applying an exclusionary approach, in addition to its sustainable investment strategy used in pursuit of the sustainable investment objective, as described in the precontractual annex to this Fund Supplement.</p> <p>The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>Derivatives may be used for efficient portfolio management and hedging.</p>
Investment Strategy	<p>Investment Approach</p> <p>The Fund is a concentrated portfolio of global stocks, investing over the long term in companies that make a positive social and/or environmental impact alongside a financial return, using a disciplined stock selection process.</p> <p>The Investment Manager selects the most suitable assets from the watchlist to build a high-conviction portfolio diversified across impact areas as explained in the precontractual annex to this Fund Supplement.</p> <p>Investment Manager's ESG Classification</p> <p>The Fund is categorised as Planet+ / Impact.</p> <p>The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.</p>

EU Sustainable Finance Disclosure Regulation	The Fund is categorised as an Article 9 fund under SFDR, and information about its sustainable investment is described in the precontractual annex to this Fund Supplement.
Benchmark	<p>MSCI ACWI Net Return Index</p> <p>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 Fund's financial objective. The benchmark is used solely to measure the Fund's performance and does not constrain the Fund's portfolio construction.</p> <p>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.</p> <p>The benchmark is shown in the share class currency.</p>
Profile of Typical Investor	<p>The Fund is designed for retail and Institutional Investors seeking a combination of capital growth and income by investing in a portfolio of shares of companies from anywhere in the world that aim to have a positive societal impact and who have sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objectives. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund is designed for investors who have an investment time horizon of at least five years.</p>
Reference Currency	USD
Currency Hedged Share Classes	Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Distribution Policy	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.
Main Risks	<p>The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.</p> <ul style="list-style-type: none"> • Capital & income will vary • Concentrated portfolio • Emerging markets • China • Smaller companies • Currency & exchange rate • Liquidity • Counterparty • ESG data • Investments exclusions <p>Investors should read the section "Risk Factors" for a full description of risks.</p>

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.75%	4.00%	-	-	-	0.05%	0.15%
B	2.25%	-	-	-	-	0.05%	0.15%
C	0.75%	1.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.75%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
L	0.30%	1.25%	-	-	-	0.05%	0.15%
LI	0.30%	1.25%	-	-	-	0.01%	0.15%
N	Up to 1.75%	4.00%	-	-	-	0.05%	0.15%
X	1.75%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Positive Impact Fund
Legal Entity Identifier: 549300XGF5HHUXGRO059

Sustainable investment objective

Does this financial product have a sustainable investment objective?

● ● ☒ Yes

● ● ☐ No

☒ It will make a minimum of **sustainable investments with an environmental objective: 30%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It will make a minimum of **sustainable investments with a social objective: 30%**

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What is the sustainable investment objective of this financial product?

To invest in companies that have a positive societal impact through addressing the world's major social and/or environmental challenges.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

● What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

Fund level sustainability indicators:

- Weighted average carbon intensity (WACI)
- Percentage (%) of NAV committed to Science-Based Targets (SBTs)
- Percentage (%) of NAV with ratified Science-Based Targets
- Percentage (%) of CO2 emissions with Science-Based Targets
- Percentage (%) of NAV participating in Task Force on Climate-Related Financial Disclosures (TCFD) reporting
- Percentage (%) of NAV in Climate Solutions companies
- Percentage (%) of NAV in Circular Economy solutions companies
- Percentage (%) of NAV in investments providing environmental solutions
- Percentage (%) of positive impact assets in the Fund
- Percentage (%) of NAV aligned with any of the 17 United Nations Sustainable Development Goals ("SDGs"), which include a range of environmental and social objectives.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link: www.mandg.com/country-specific-fund-literature.

In addition, for each investment considered to be SDG-aligned, the Investment Manager will assess the strength of contribution to the relevant SDG(s).

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful.
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment.

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Fund invests in companies that deliver solutions to address some of the world's major social and/or environmental challenges.

These can be understood by reference to the United Nations Sustainable Development Goals framework as companies which are focused on sustainable development goals such as No Poverty; Zero Hunger; Good Health and Well-being; Quality Education; Gender Equality; Clean Water and Sanitation; Affordable and Clean Energy; Decent Work and Economic Growth; Industry, Innovation and Infrastructure; Reduced Inequalities; Sustainable Cities and Communities; Responsible Consumption and Production; Climate Action; Life below Water; Life on Land; Peace, Justice and Strong Institutions; Partnerships for the Goals; and other companies which the Investment Manager considers appropriate to invest in, in pursuit of the impact objective. These companies are assessed using

the Investment Manager's impact assessment methodology ("Impact Methodology") described below.

The Impact Methodology focuses on three criteria:

- Investment Credentials: the quality and durability of the company's business model and its ability to produce sustainable economic returns;
- Intention: the company's purpose as evidenced by the alignment of its mission statement with its corporate strategy and actions; and
- Impact: the scale of the net positive societal impact and the company's progress in addressing social equality challenges.

The outputs of the Impact Methodology enable the Fund to allocate to the following three investment types:

- "Pioneers", whose products or services have or could have a transformational effect on social equality.
- "Enablers", which provide the tools for others to empower social equality.
- "Leaders", which spearhead and mainstream sustainability in industries empowering social equality, but which may have more established profitability than pioneers.

The Investment Manager's engagement with the companies in which the Fund invests is key to the investment approach.

Sustainability considerations, encompassing ESG factors, are fully integrated into analysis and investment decisions, and play an important role in determining the investment universe and portfolio construction.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then assesses the sustainability credentials of the remaining companies. Potential investments are identified by reference to the relevant SDGs, and assessed using the Impact Methodology.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective.

● **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's asset allocation, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Please note that the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is non-binding where the reason for holding less than such minimum is because Taxonomy-aligned investments are held instead (as all such investments are sustainable investments with environmental objectives).

● **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates data driven quantitative good governance tests used to consider investments into companies. The Investment Manager excludes investments in securities that are considered as failing the Investment Manager's good governance tests. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

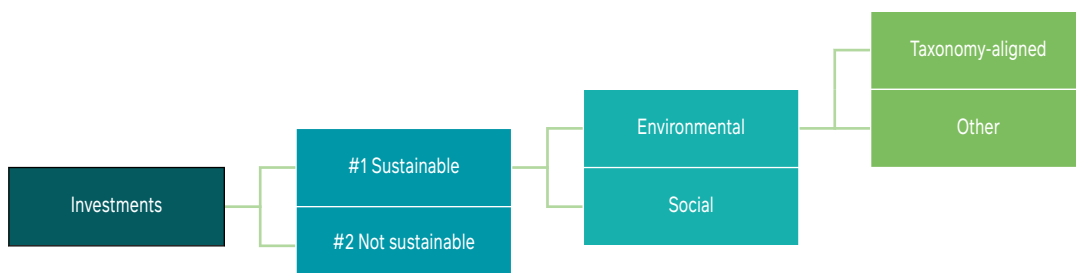
What is the asset allocation and the minimum share of sustainable investments?

The Investment Manager expects at least 80% of the Fund to be invested in sustainable investments, in pursuit of the sustainable investment objective. The Fund is not required to favour any specific type of sustainable investment.

The Fund will invest at least 30% in sustainable investments with a social objective and at least 30% in sustainable investments with an environmental objective that are not aligned to the EU Taxonomy. Subject to those minima, the Fund may flexibly allocate between the different types of sustainable investments based on availability and attractiveness of investment opportunities, whilst keeping the aggregate allocation to sustainable investments with environmental and/or social objectives to a minimum of 80%.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

Derivatives are not used to attain the sustainable investment objective.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

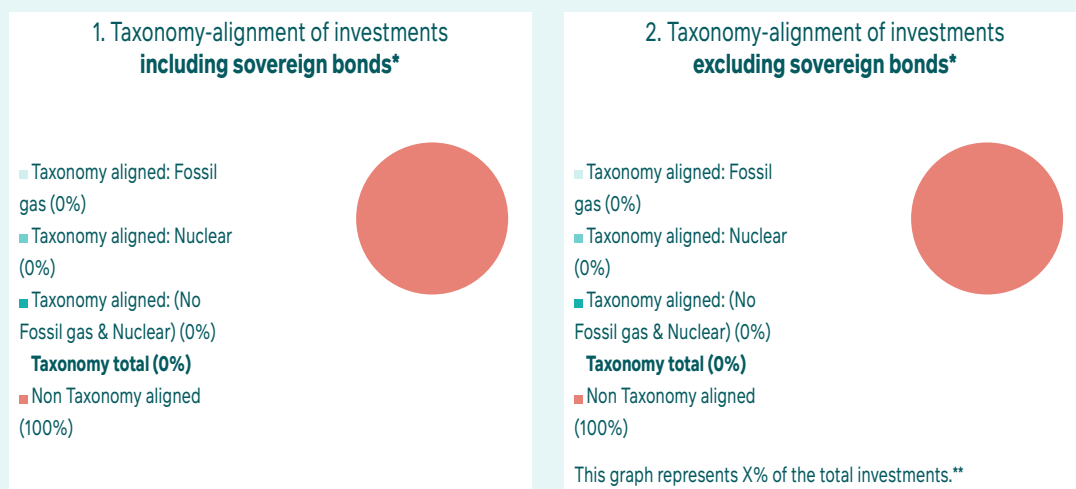
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
30%



- **What is the minimum share of sustainable investments with a social objective?**
30%



- **What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, and derivatives as “Other” investments, for hedging purposes or in connection with cash held for ancillary liquidity. No minimum environmental or social safeguards are applied, other than as stated below.

Where derivatives are used to take investment exposure to diversified financial indices, these will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

It is also possible that the Fund may hold investments that are not in line with the sustainable investment objective, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



- **Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

No

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) TAP Global Listed Infrastructure Fund

Launch Date 16 November 2023

Investment Objective The Fund has two aims:

- to deliver a higher total return (the combination of capital growth and income) than that of the global equities market over any five-year period while applying ESG Criteria; and
- to deliver an income stream that increases every year in US Dollar terms.

Investment Policy

The Fund invests at least 80% of its Net Asset Value in eligible publicly-listed equity securities, equity-related instruments and convertible bonds issued by infrastructure companies, investment trusts and closed-ended real estate investment trusts ("REITs", which may represent up to 30% of the Net Asset Value of the Fund) across any market capitalisation that are domiciled in any country, including emerging markets (for the avoidance of doubt, investments in emerging markets may represent up to 20% of the Net Asset Value of the Fund).

The minimum 80% allocation may include ordinary shares, preference shares and convertible bonds (the Fund may hold up to a maximum of 20% of its Net Asset value in convertible bonds). Infrastructure companies include those involved in the following business activities: utilities, energy, transport, health, education, security, communications and transactions. The Fund is expected to exhibit lower volatility and offer a higher dividend yield than the global equities market which is consistent with the characteristics of infrastructure securities. The Fund usually holds fewer than 50 stocks.

The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach (including the exclusions adopted in consideration of the Transition Acceleration Policy, also referred to as "TAP", as described in the ESG Criteria) that are SDG-contributing with a Positive ESG Tilt, as described in the precontractual annex to this Fund Supplement. The TAP includes norms based and sector based exclusions based on environmental and social characteristics and accordingly the Fund Exclusion Types determined in consideration of the TAP also include such norms and sector based restrictions.

The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.

Investment Strategy	Investment Approach
	<p>The Fund employs a bottom-up stock picking approach, driven by the fundamental analysis of individual companies. Dividend yield is not the primary consideration for stock selection.</p> <p>The Investment Manager aims to create a diversified portfolio with exposure to a broad range of countries and sectors. Stocks with different drivers of dividend growth are selected to construct a portfolio that has the potential to cope in a variety of market conditions.</p> <p>The Investment Manager seeks to invest in companies with excellent capital discipline and the potential for long-term dividend growth. The Investment Manager believes rising dividends create upward pressure on the value of Shares.</p>
	Investment Manager's ESG Classification
	<p>The Fund is categorised as Planet+ / ESG enhanced.</p> <p>The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.</p>
EU Sustainable Finance Disclosure Regulation	The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.
Benchmark	<p>MSCI ACWI Net Return Index</p> <p>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.</p> <p>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.</p> <p>The benchmark is shown in the Share Class currency.</p>
Profile of Typical Investor	<p>The Fund is designed for retail and Institutional Investors seeking to gain a combination of capital growth and rising income from a diversified equity portfolio that invests in the publicly-listed equity securities issued by infrastructure companies, investment trusts and REITs across any market capitalisation that are domiciled in any country. The Fund is designed for investors with sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objectives. Suitable investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund is designed for investors who have an investment time horizon of at least five years.</p>
Reference Currency	USD
Currency Hedged Share Class	Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Valuation Currency of the Fund.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Currency & exchange rate
- Concentrated portfolio
- Emerging markets
- China
- Specific asset class, region or sector
- Smaller companies
- Convertible bonds
- Liquidity
- Counterparty
- ESG data
- Investments exclusions

Investors should read the section "Risk Information" for a full description of each risk.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.75%	4.00%	-	-	-	0.05%	0.15%
B	2.25%	-	-	-	-	0.05%	0.15%
C	0.75%	1.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.75%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
L	0.50%	1.25%	-	-	-	0.05%	0.15%
LI	0.50%	1.25%	-	-	-	0.01%	0.15%
N	Up to 1.75%	4.00%	-	-	-	0.05%	0.15%
X	1.75%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in its sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Shares Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 – M&G (Lux) TAP Global Listed Infrastructure Fund
Legal Entity Identifier: 2549003UF6Z6PBHCNI58

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

● ● ☐ Yes

● ● ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach, a Positive ESG Tilt, and that it makes investments that are SDG-contributing (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society and to assist it in delivering more sustainable outcomes. This also includes exclusions adopted in consideration of the Transition Acceleration Policy as described in the ESG Criteria ("Exclusionary Approach").

The Fund maintains a weighted average ESG rating that is either

1. higher than that of the equity market as represented by its investment universe; or
2. equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt").

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

The Fund considers the UN Sustainable Development Goals (SDGs) as part of its investment process and the sustainability themes considered by the Investment Manager are based on the SDGs as a relevant framework to measure contribution to sustainability factors ("SDG-contribution").

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

by the financial product are attained.

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- SDG-contribution: Percentage (%) of investments by value that is SDG-contributing
- Positive ESG Tilt: Portfolio weighted average ESG score versus investment universe weighted average ESG score or versus the ESG score corresponding to the lowest numerical value of the MSCI A rating.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Sustainability considerations, encompassing ESG factors, are fully integrated into analysis and investment decisions, and play an important role in determining the investment universe and portfolio construction.

The Fund considers the UN Sustainable Development Goals (SDGs) as part of its investment process and the sustainability themes considered by the Investment Manager are based on the SDGs as a relevant framework to measure contribution to sustainability factors ("SDG-contribution").

For the avoidance of doubt this assessment can include contribution towards to more than one SDG as part of a broader theme.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then identifies the companies that are considered suitable for further analysis. The Investment Manager analyses these companies from an ESG perspective using a proprietary infrastructure sector-specific quality assessment. This includes an assessment of ESG Factors, alongside other financial and operational characteristics. Following the ESG-related quality assessment, the Investment Manager then quantifies ESG risks for these companies, to determine whether these have been accounted for in a company's valuation.
3. From this narrowed investment universe, the Investment Manager then performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

• What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?";
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?"; and

- The Fund's positive ESG Tilt.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

0%

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



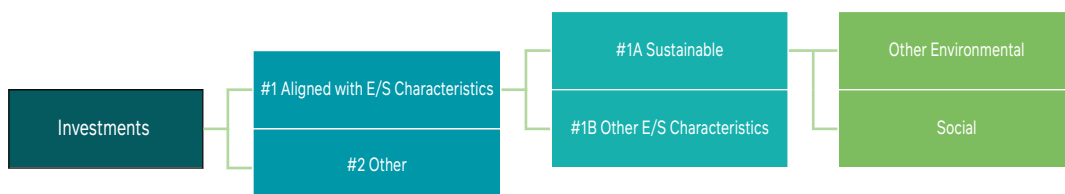
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 40% of the Fund will be in Sustainable Investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the promoted environmental and/or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

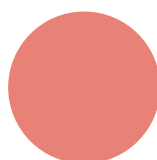
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

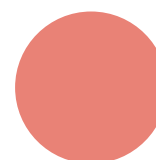
1. Taxonomy-alignment of investments including sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
 ■ Taxonomy aligned: Nuclear (0%)
 ■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
 ■ Non Taxonomy aligned (100%)



2. Taxonomy-alignment of investments excluding sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
 ■ Taxonomy aligned: Nuclear (0%)
 ■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
 ■ Non Taxonomy aligned (100%)



This graph represents X% of the total investments.**

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● **What is the minimum share of investments in transitional and enabling activities?**
 0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

5%



What is the minimum share of socially sustainable investments?

5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds and derivatives as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics. It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Global Artificial Intelligence Fund

Launch Date 9 November 2023

Investment Objective The Fund aims to provide a higher total return (capital growth plus income) than that of the global equity market over any five-year period while applying ESG Criteria.

Investment Policy The Fund invests at least 80% of its Net Asset Value in the equity securities and equity-related instruments of companies (including closed-ended real estate investment trusts, which may represent up to 20% of the Net Asset Value of the Fund), across any sector and market capitalisation that are domiciled, incorporated, or listed in any country, including Emerging Markets.

The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive ESG Tilt as described in the precontractual annex to this Fund Supplement.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect or via the QFI status granted to the Investment Manager.

The Fund may invest up to 5% of its Net Asset Value in equity securities and equity-related instruments of SPACs.

Derivatives may be used for Efficient Portfolio Management and hedging.

Investment Strategy **Investment Approach**

The Sub-Investment Manager aims to identify long-term disruptive technological innovations associated with the Artificial Intelligence trend in their early stages. From the Fund's investment universe, the Sub-Investment Manager identifies investment opportunities in the following three categories:

- Artificial Intelligence Enablers – companies providing key underlying Artificial Intelligence technology enabling Artificial Intelligence services;
- Artificial Intelligence Providers – companies providing Artificial Intelligence services and products to end users;
- Artificial Intelligence Beneficiaries – companies that are receiving meaningful benefit from their use of Artificial Intelligence that is expected to drive valuations over the long-term.

In each case, the determination of whether a company falls within one of the above categories is at the discretion of the Sub-Investment Manager.

The Fund may allocate to these three categories in any proportions but does not typically expect to hold more than 50% of its Net Asset Value in any one category.

In this context, Artificial Intelligence refers to the development or use by a business of computer systems that perform tasks previously requiring human intelligence such as decision-making or audio or visual identification or perception. The investment approach combines research and financial analysis of individual companies.

The Sub-Investment Manager seeks to identify well-managed companies whose long-term prospects are not fully appreciated by the stock market. The Sub-Investment Manager's engagement with technical experts and executive management is a key part of the investment approach.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

MSCI ACWI Net Return Index

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 Sub-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 and as a result the Fund's performance may deviate significantly from the benchmark.

In case of Currency Hedged Share Classes, the benchmark may be a currency hedged version of the benchmark. For all Share Classes, the relevant benchmark used for comparison purposes will be shown in the KID.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to gain a combination of capital growth and income from a portfolio that invests in a range of global companies that are deemed to benefit from or have the potential to benefit from advances in the use of Artificial Intelligence. The Fund is designed for investors with sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Sub-Investment Manager M&G Investments (USA) Inc.

Reference Currency USD

Currency Hedged Share Class Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Distribution Policy If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

Main Risks The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Currency and exchange rate
- Emerging markets
- China
- Specific asset class, region or sector
- Smaller companies
- Liquidity
- Counterparty
- ESG Data
- Investments exclusions
- SPACs

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.75%	4.00%	-	-	-	0.05%	0.15%
B	2.25%	-	-	-	-	0.05%	0.15%
C	0.75%	1.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.75%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
L	0.30%	1.25%	-	-	-	0.05%	0.15%
LI	0.30%	1.25%	-	-	-	0.01%	0.15%
N	Up to 1.75%	4.00%	-	-	-	0.05%	0.15%
X	1.75%	-	-	Up to 1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Global Artificial Intelligence Fund
Legal Entity Identifier: 2549009CK1I54I5K4617

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

● ● ☐ Yes

● ● ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

The Fund maintains a weighted average ESG rating that is either

1. higher than that of the equity market as represented by its investment universe; or
2. equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt").

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Positive ESG Tilt: Portfolio weighted average ESG score versus investment universe weighted average ESG score or versus the ESG score corresponding to the lowest numerical value of the MSCI A rating.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities. The Investment Manager favours issuers with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. This process should result in a portfolio with better ESG characteristics. In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective.

The Fund's ESG Criteria apply to at least:

- 90% of equities issued by large capitalisation companies in developed countries; debt securities, money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries;
- 75% of equities issued by large capitalisation companies in emerging market countries; equities issued by small and mid-capitalisation companies in any country; debt securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging market countries."

• What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's Positive ESG Tilt;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section ""What is the asset allocation planned for this financial product?""; and
- Minimum levels of sustainable investments, as set out in the section ""What is the asset allocation planned for this financial product?"".

• What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test.

When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



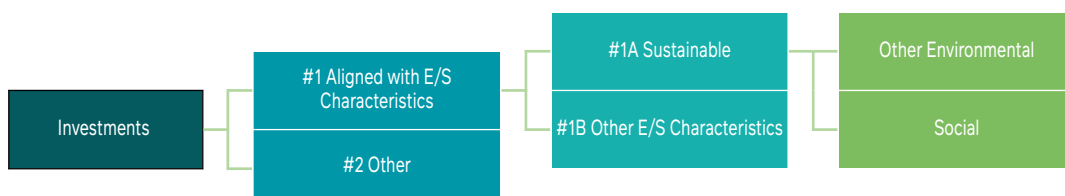
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the promoted environmental and/or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

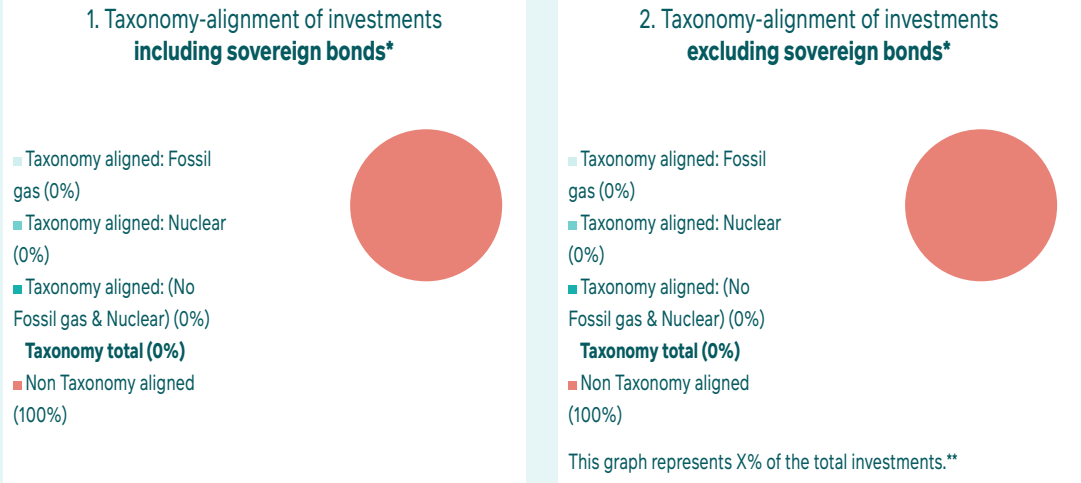
- ☐ Yes:
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● What is the minimum share of investments in transitional and enabling activities?
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?
5%



What is the minimum share of socially sustainable investments?
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds and derivatives as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied, other than as set out below.

Derivatives used to take investment exposure to diversified financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

Convertibles Funds

M&G (Lux) Global Convertibles Fund

Launch Date	9 November 2018
Investment Objective	The Fund aims to provide a higher total return (capital growth plus income) than that of the global convertibles market over any five-year period while applying ESG criteria.
Investment Policy	<p>The Fund invests at least 70% of its Net Asset Value in convertible securities denominated in any currency. Issuers of these securities may be located in any country, including emerging markets. Exposure to these securities may be achieved, either directly or indirectly, through various combinations of corporate bonds, equities and derivatives.</p> <p>The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive ESG Tilt as described in the precontractual annex to this Fund Supplement.</p> <p>The Fund may also hold up to a maximum of 20% of its Net Asset Value in contingent convertible debt securities.</p> <p>Derivative instruments can be used to meet the Fund's investment objective, for efficient portfolio management and for the purposes of hedging. These derivative instruments may include, but are not limited to, spot and forward contracts, exchange traded futures, options and credit default swaps.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 30% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p>
Investment Strategy	<p>Investment Approach</p> <p>The Investment Manager focuses on convertible bonds that provide the best risk-reward features in their view. For these convertible securities the potential gain from the option on the share price exceeds the potential loss from the share price falling back to the value of the bond.</p> <p>Risk is also managed by reducing the potential loss that the convertible might suffer if the share price of the company and the value of the embedded option declined markedly.</p> <p>For the Convertible Bond to provide downside protection the company's credit quality is also analysed and monitored.</p> <p>The Investment Manager has no set geographical guidelines or limits determined by macroeconomic or sector views.</p> <p>Investment Manager's ESG Classification</p>

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation **The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.**

Benchmark Refinitiv Global Focus Convertible Bond Index

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 and, as a result, the Fund's performance may deviate significantly from the benchmark.

The benchmark is shown in the share class currency.

Profile of Typical Investor The Fund is designed for retail and Institutional Investors seeking to gain a combination of capital growth and income from a portfolio of mainly global convertible assets, and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency USD

Currency Hedged Share classes Currency Hedged Share Classes seek to reduce the exposure of the holders of hedged Classes to movements in the material currencies within the Fund's portfolio.

Calculation of Global Exposure Relative VaR
The global exposure relating to this Fund will be calculated using a relative VaR approach benchmarked against the Refinitiv Global Focus Convertible Bond Index.

Leverage The Fund's expected average level of leverage under normal market conditions is 250% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.
The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Distribution Policy If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

Main Risks The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Convertible bonds
- Credit
- Currency & exchange rate
- Derivatives
- Emerging markets
- Counterparty
- Liquidity
- Interest rate
- Contingent convertible debt securities
- ESG data
- Investments exclusions

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax Taxe d'abonnement (annual rate)	Administration Charge (maximum annual rate)
A	1.50%	4.00%	-	-	-	0.05%	0.15%
B	2.00%	-	-	-	-	0.05%	0.15%
C	0.75%	1.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.75%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
L	Up to 0.75%	1.25%	-	-	-	0.05%	0.15%
LI	Up to 0.75%	1.25%	-	-	-	0.01%	0.15%
X	1.50%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Global Convertibles Fund
Legal Entity Identifier: 549300DZSWWWBBRWLT54

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach and a Positive ESG Tilt (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

The Fund maintains a weighted average ESG rating that is either

1. higher than that of the equity market as represented by its investment universe; or
2. equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt").

In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

• What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Positive ESG Tilt: Portfolio weighted average ESG score versus investment universe weighted average ESG score or versus the ESG score corresponding to the lowest numerical value of the MSCI A rating.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions. In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities. The Investment Manager favours issuers with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. This process should result in a portfolio with better ESG characteristics. In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings.
3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time to purchase in consideration of the Fund's financial objective.

The Fund's ESG Criteria apply to at least:

- 90% of equities issued by large capitalisation companies in developed countries; debt securities, money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries;
- 75% of equities issued by large capitalisation companies in emerging market countries; equities issued by small and mid-capitalisation companies in any country; debt securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging market countries.

• What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's Positive ESG Tilt;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

• What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



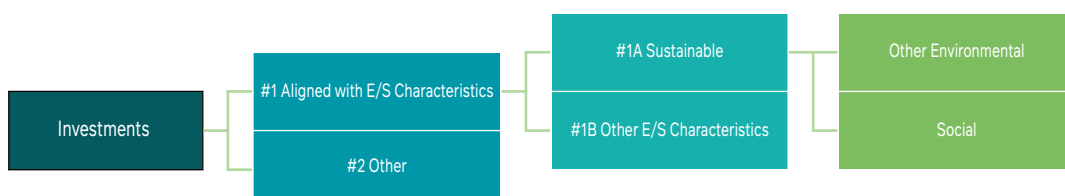
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the promoted environmental and/or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

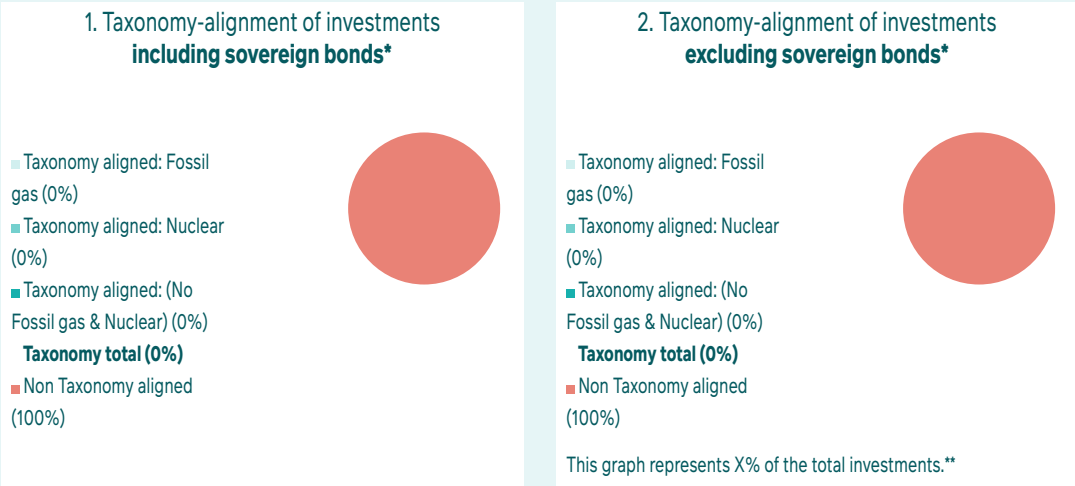
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.




* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

 **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

 **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds and derivatives as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied, other than as set out below.

Derivatives used to take investment exposure to diversify financial indices, and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

Fixed Income Funds

M&G (Lux) Emerging Markets Bond Fund

Launch Date 17 September 2018

Investment Objective The Fund aims to provide a higher total return (capital growth plus income) than that of the global emerging markets bond market over any three-year period, while applying ESG Criteria.

Investment Policy The Fund has the flexibility to invest across all types of emerging market debt, which includes sovereign, corporate and local currency debt.

The Fund invests at least 80% of its Net Asset Value in debt securities denominated in any currency, issued or guaranteed by emerging market governments or their agencies, local authorities, public authorities, quasi-sovereigns, supranational bodies and by companies that are domiciled in, or conducting the major part of their economic activity in emerging markets.

The Fund may invest up to a combined maximum of 100% of the Fund's Net Asset Value in below investment grade and unrated securities. There are no credit quality restrictions with respect to the debt securities in which the Fund may invest.

The Fund may invest in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.

The Fund may invest up to 10% of its Net Asset Value in asset-backed securities and up to 10% of its Net Asset Value in contingent convertible debt securities.

The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.

The Fund will typically invest directly. The Fund may also invest indirectly via derivative instruments to take both long and short positions and to gain exposure to investments exceeding the Net Asset Value of the Fund in order to increase potential returns in both rising and falling markets. Derivative instruments can be used to meet the Fund's investment objective, for efficient portfolio management and for the purpose of hedging. These instruments may include, but are not limited to, spot and forward contracts, exchange traded futures, options, credit default swaps, interest rate swaps, total return swaps and credit linked notes.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

Investment Strategy**Investment Approach**

The Fund's investment approach begins with a top-down assessment of macroeconomic factors such as global risk appetite and structural global growth catalysts.

On a regional and country-specific level, factors such as monetary and fiscal policies, capital flows, and political and regulatory environments will be assessed. The result of this analysis will help inform the Fund's country and currency allocations and its duration. Individual credit selection is determined by thorough credit analysis and assessment of valuations.

Both macroeconomic and security-specific analysis is undertaken by the Investment Manager and the in-house team of credit analysts.

The Fund is diversified by investing in a range of assets across global emerging bond markets.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

A composite index comprising:

- 1/3 JPM EMBI Global Diversified Index
- 1/3 JPM CEMBI Broad Diversified Index
- 1/3 JPM GBI-EM Global Diversified Index

These indices represent the emerging market government bond markets denominated in hard currencies, the emerging market corporate bond markets denominated in hard currencies and the emerging market government bond markets denominated in local currencies respectively.

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 does not constrain the Fund's portfolio construction.

The Fund is actively managed. The Investment Manager has freedom in choosing which assets to buy, hold and sell in the Fund. The Fund's holdings may deviate significantly from the benchmark's constituents.

The benchmark is shown in the share class currency.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to gain a combination of capital growth and income from a portfolio of predominantly debt instruments issued by emerging market borrowers, and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least three years.

Reference Currency	USD
Currency Hedged Share classes	Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Calculation of Global Exposure	<p>Relative VaR</p> <p>The global exposure relating to this Fund will be calculated using a relative VaR approach benchmarked against a composite index comprising:</p> <ul style="list-style-type: none"> • 1/3 JPM EMBI Global Diversified Index • 1/3 JPM CEMBI Broad Diversified Index • 1/3 JPM GBI-EM Global Diversified Index
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 150% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Distribution Policy	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.
Main Risks	<p>The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.</p> <ul style="list-style-type: none"> • Capital & income will vary • Emerging markets • China • Interest rate • Credit • Currency & exchange rate • Liquidity • Counterparty • Securitised bonds • Contingent convertible debt securities • Derivative instruments • Exposure greater than net asset value • Short sales • ESG data • Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.25%	4.00%	-	-	-	0.05%	0.15%
B	1.75%	-	-	-	-	0.05%	0.15%
C	0.60%	1.25%	-	-	-	0.05%	0.15%
CI	0.60%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.60%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.60%	-	-	-	-	0.01%	0.15%
N	Up to 1.25%	4.00%	-	-	-	0.05%	0.15%
X	1.25%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Precontractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Emerging Markets Bond Fund
Legal Entity Identifier: 549300VL49SAAQZU3D08

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**: ____%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

• What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



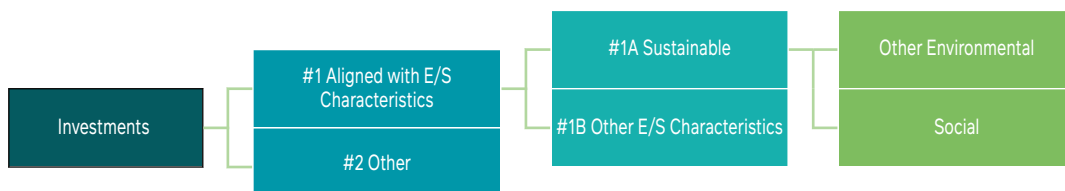
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

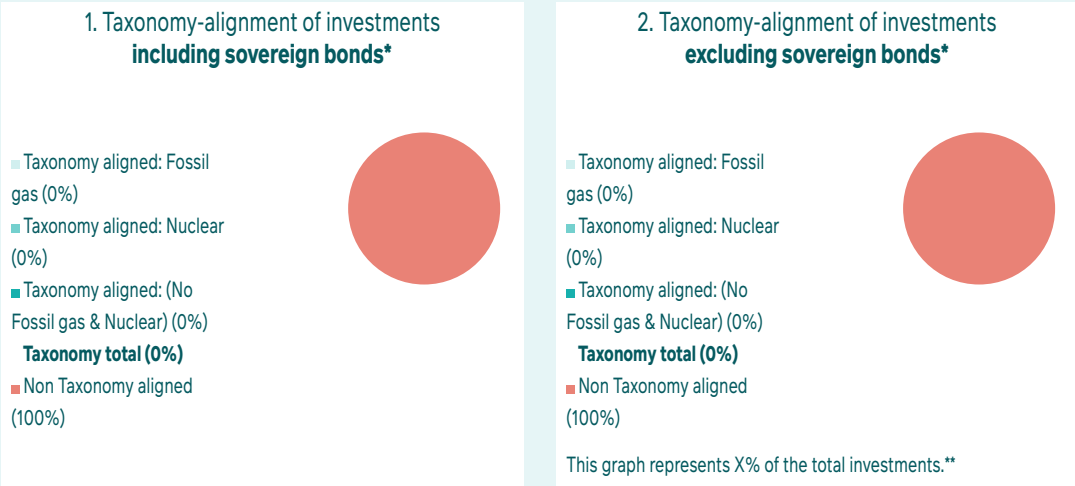
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

-  **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

-  **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Emerging Markets Hard Currency Bond Fund

Launch Date 22 May 2017

Investment Objective The Fund aims to provide a higher total return (capital growth plus income) than that of the hard currency emerging market bond market over any three-year period while applying ESG Criteria.

Investment Policy The Fund will invest at least 80% of its Net Asset Value in emerging markets debt instruments issued or guaranteed by emerging market governments or their agencies, local authorities, public authorities, quasi-sovereigns and supranational bodies denominated in hard currency. It may also take limited exposure to debt instruments issued by emerging market companies or instruments denominated in emerging market currencies. The Investment Manager has the discretion to identify the countries that it considers to qualify as emerging markets.

The Fund may invest in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.

The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.

The Fund's exposure to these assets will typically be gained directly. The Fund may also invest indirectly via derivative instruments.

Derivative instruments can be used to meet the Fund's investment objective and for efficient portfolio management. The derivative instruments that the Fund may invest in include spot and forward contracts, exchange traded futures, swaps, credit default swaps, total return swaps and options.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

Investment Strategy **Investment Approach**

The Fund's approach to emerging market investing begins with a top-down analysis of the global economy, which is fine tuned on a daily basis subject to market, economic and political changes.

Within this framework, the Investment Manager's approach involves:

- forming a view on the global and overall emerging markets outlook, including prospects for demand from advanced economies, commodity prices, interest rate trends, monetary policy tools and other components of the external environment;
- identifying countries with stable or improving underlying credit fundamentals (including stable/improving fiscal positions, stable/improving political situations,

comfortable central bank reserve levels, improving current account positions for example);

- evaluating the technical conditions of the credit to identify both the upside and the imbalances that could potentially lead to market dislocations.

This disciplined multi-pronged framework provides the basis for our country weighting, marginal allocation to corporates, duration, yield curve and currency and instrument selection decisions, as well as relative value assessments.

The Fund will not take direct or indirect (when the underlying of an eligible asset is a commodity) exposure to commodities.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

JPM EMBI Global Diversified Index

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.

The benchmark is shown in the share class currency.

Profile of Typical Investor

The Fund is designed for retail, professional or Institutional Investors who are looking for income and capital growth but can bear the economic risk of the loss of their investment in the Fund and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least three years.

Reference Currency

USD

Currency Hedged Share Classes	Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Calculation of Global Exposure	<p>Relative VaR</p> <p>The global exposure relating to this Fund will be calculated using a relative VaR approach benchmarked against the JPM EMBI Global Diversified Index.</p>
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Distribution Policy	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.
Main Risks	<p>The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.</p> <ul style="list-style-type: none"> • Capital & income will vary • Credit • Liquidity • Counterparty • Emerging markets • China • Derivative instruments • ESG data • Investments exclusions <p>Investors should read the section "Risk Factors" for a full description of risks.</p>

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.50%	4.00%	-	-	-	0.05%	0.15%
B	2.00%	N/A	-	-	-	0.05%	0.15%
C	0.60%	1.25%	-	-	-	0.05%	0.15%
CI	0.60%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.60%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.60%	-	-	-	-	0.01%	0.15%
L	0.15%	1.25%	-	-	-	0.05%	0.15%
LI	0.15%	1.25%	-	-	-	0.01%	0.15%
X	1.50%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Emerging Markets Hard Currency Bond Fund
Legal Entity Identifier: 222100MMYOB270UKJT08

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



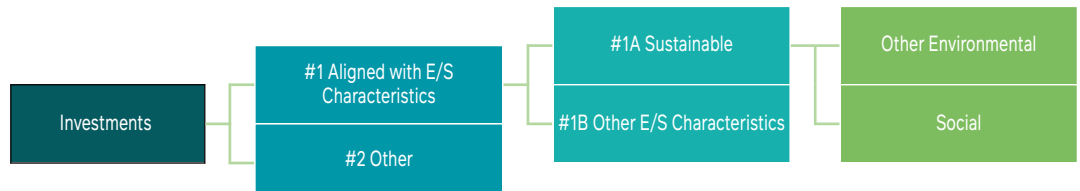
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

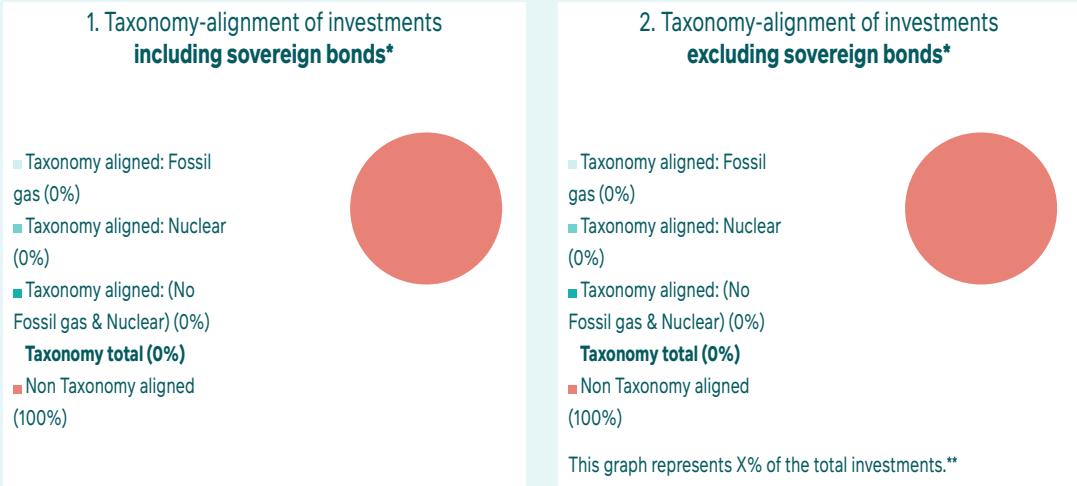
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

-  **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

-  **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Euro Corporate Bond Fund

Launch Date	9 November 2018
Investment Objective	The Fund aims to provide a higher total return (capital growth plus income) than that of the European investment grade corporate bond market over any five-year period while applying ESG Criteria.
Investment Policy	<p>The Fund invests at least 70% of its Net Asset Value in investment grade corporate bonds denominated in any European currency. Issuers of these securities may be located in any country, including emerging markets.</p> <p>The Fund may also invest in high yield corporate bonds, unrated bonds, government and public securities denominated in any European currency. More than 70% of the Fund's assets will be in Euro or hedged back to Euro. There are no credit quality restrictions with respect to the high yield debt securities in which the Fund may invest.</p> <p>The Fund may invest up to a combined maximum of 30% of the Fund's Net Asset Value in below investment grade and unrated securities.</p> <p>The Fund may hold up to a maximum of 20% of its Net Asset Value in Contingent Convertible Debt Securities and up to a maximum of 20% of its Net Asset Value in Asset-Backed Securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>The Fund will typically invest directly. The Fund may also invest indirectly via derivatives instruments to take both long and short positions to meet the Fund's investment objective, for efficient portfolio management and for the purpose of hedging. These instruments may include, but are not limited to, Spot and Forward Contracts, Exchange Traded Futures, Options, Credit Default Swaps, Interest Rate Swaps and Credit Linked Notes (CLNs).</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 30% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p>
Investment Strategy	<p>Investment Approach</p> <p>The Investment Manager believes that bond returns are driven by a combination of macroeconomic, asset, sector, geographic and stock-level factors. A dynamic investment approach is followed, allowing the Investment Manager to change the blend of duration and credit exposure.</p> <p>The Fund is diversified by investing in a range of individual issuers, sectors and geographies. An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.</p>

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation **The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.**

Benchmark

ICE BofAML Euro Corporate Index

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 benchmark is shown in the share class currency.

Profile of Typical Investor

The Fund is designed retail and Institutional Investors seeking to gain a combination of capital growth and income from a portfolio of mainly investment grade corporate bonds denominated in any European currency, and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency

EUR

Currency Hedged Share Classes

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Calculation of Global Exposure

Relative VaR

The global exposure relating to this Fund will be calculated using a relative VaR approach benchmarked against the ICE BofAML Euro Corporate Index.

Leverage

The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.

The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Liquidity
- Counterparty
- Currency & exchange rate
- Securitised bonds
- Contingent convertible debt securities
- Derivative instruments
- Short sales
- ESG data
- Investments exclusions

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	0.40%	3.25%	-	-	-	0.05%	0.15%
C	0.15%	1.25%	-	-	-	0.05%	0.15%
CI	0.15%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.15%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.15%	-	-	-	-	0.01%	0.15%
L	Up to 0.15%	1.25%	-	-	-	0.05%	0.15%
LI	Up to 0.15%	1.25%	-	-	-	0.01%	0.15%
X	0.40%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Euro Corporate Bond Fund
Legal Entity Identifier: 54930006WRQEB3PFIE51

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

● What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



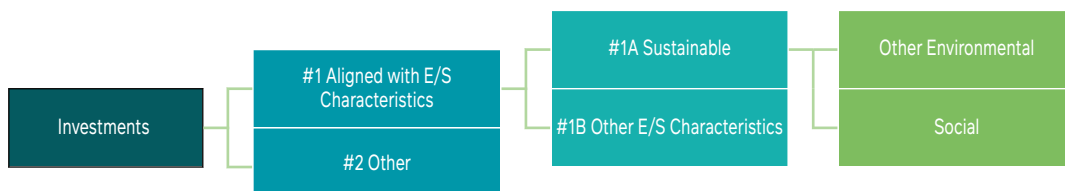
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

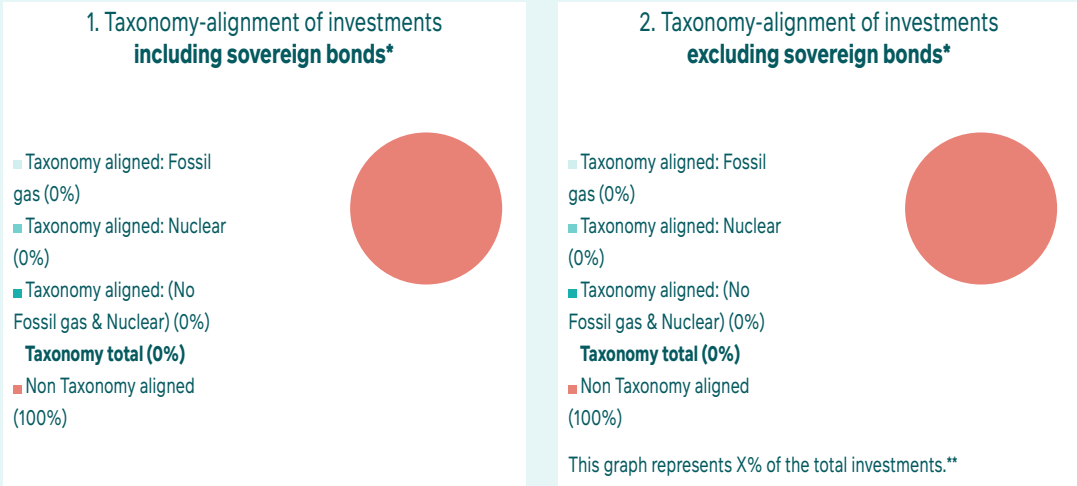
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

-  **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

-  **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) European Inflation Linked Corporate Bond Fund

Launch Date 16 March 2018

Investment Objective The Fund aims to achieve a total return (capital growth plus income) equal to or greater than European inflation over any three-year period while applying ESG Criteria.

Investment Policy The Fund will invest at least 50% of its Net Asset Value in inflation-linked investment grade corporate bonds. Exposure may either be gained through direct holdings or synthetically by using combinations of inflation-linked government bonds and derivatives to create similar risk exposures. A minimum of 90% of the Fund's Net Asset Value will be exposed directly to Euro denominated assets or non-Euro exposures which have been hedged back to Euro.

Additionally the Fund may also invest in the following fixed income instruments:

- fixed rate bonds issued or guaranteed by companies, governments, local authorities, government agencies or certain public international bodies, subject to a maximum of 40% of the Fund's Net Asset Value;
- floating rate notes, subject to a maximum of 50% of the Fund's Net Asset Value;
- bonds from issuers located in emerging markets, subject to a maximum of 20% of the Fund's Net Asset Value;
- unrated bonds and bonds which are rated sub-investment grade, subject to a maximum of 30% of the Fund's Net Asset Value;
- Asset-backed securities subject to a maximum of 20% of the Fund's Net Asset Value.

The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.

Derivatives can be used to meet the Fund's investment objective, for hedging purposes, and for efficient portfolio management. The derivative instruments that the Fund can invest in include, but are not limited to, spot and forward contracts, exchange traded futures, swaps, credit default swaps and total return swaps.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 50% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

Investment Strategy **Investment Approach**

Fund performance is measured in comparison to the Eurostat Eurozone Harmonised Index of Consumer Prices. The Fund will invest in a range of fixed interest securities whose returns behave in a similar way to inflation. However, alternate sources of return may be sought where it is felt that this will aid achievement of the Fund's objective.

The Investment Manager adopts a blended approach which combines top-down and bottom-up considerations.

The Fund will typically invest in European securities but may also take global exposures according to where the Investment Manager identifies value.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

Eurostat Eurozone Harmonised Index of Consumer Prices

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 benchmark is shown in the share class currency

Profile of Typical Investor

Typical investors may be retail, professional or Institutional Investors who are looking for a total return equal to or greater than European inflation and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should bear the economic risk of the loss of their investment in the Fund.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least three years.

Reference Currency

EUR

Currency Hedged Share Classes

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Calculation of Global Exposure

Absolute VaR

Leverage

The Fund's expected average level of leverage under normal market conditions is 150% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.

The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Inflation rate
- Capital & income will vary
- Currency & Exchange Rate
- Credit
- Liquidity
- Counterparty
- Derivative Instruments
- Exposure greater than net asset value
- ESG data
- Investments exclusions

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	0.50%	3.25%	-	-	-	0.05%	0.15%
C	0.20%	1.25%	-	-	-	0.05%	0.15%
CI	0.20%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.20%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.20%	-	-	-	-	0.01%	0.15%
L	Up to 0.20%	1.25%	-	-	-	0.05%	0.15%
LI	Up to 0.20%	1.25%	-	-	-	0.01%	0.15%
X	0.50%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) European Inflation Linked Corporate Bond Fund
Legal Entity Identifier: 549300405AQ08G7LRC37

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

● What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



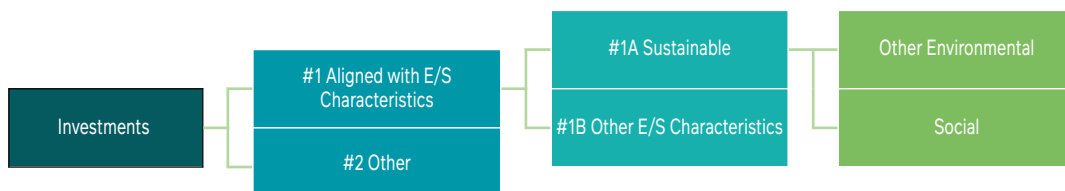
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

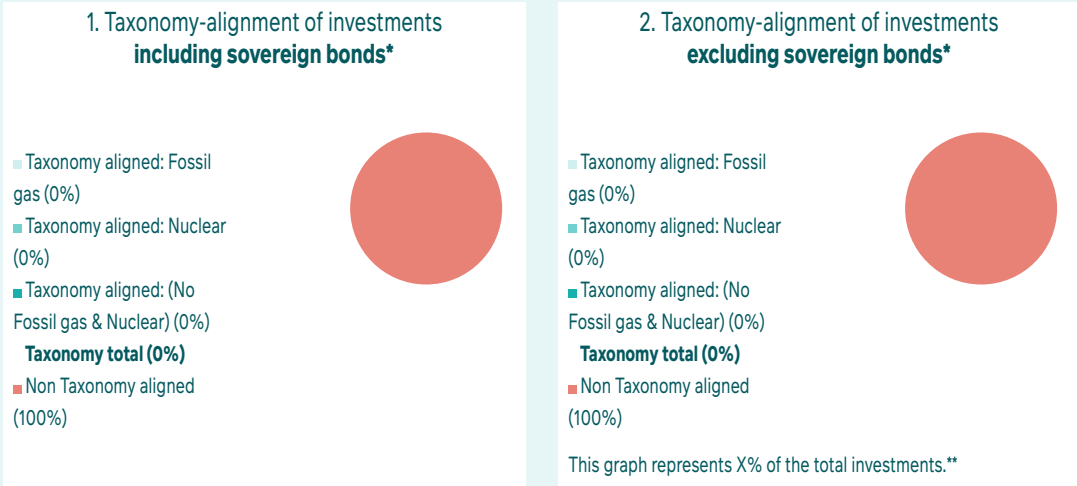
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

 **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

 **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Global Credit Investment Fund

Launch Date 7 December 2018

Investment Objective The Fund aims to provide a higher total return (capital growth plus income) than that of the global investment grade corporate bond market over any five-year period while applying ESG Criteria.

Investment Policy The Fund invests at least 80% of its Net Asset Value in investment grade corporate bonds denominated in any currency. Investment grade includes unrated corporate bonds which are investment grade in the opinion of the Investment Manager. The Fund does not take currency views and aims to hedge any non-USD assets to USD.

Issuers of these securities may be located in any country, including emerging markets.

The Fund may invest up to a combined maximum of 20% of the Fund's Net Asset Value in the following:

- Below investment grade corporate bonds (including unrated corporate bonds which have not been determined to be investment grade by the Investment Manager);
- Government bonds and public securities;
- Asset-backed securities; and
- Contingent convertible debt securities.

Within this combined maximum of 20%, any investment made by the Fund must have, at the time of purchase, a minimum credit rating of B- (or equivalent) from either at least one rating agency or the Investment Manager ("Minimum Credit Rating").

In the event that a debt security's or an issuer's credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund. The Fund may hold up to 3% Net Asset Value in investments downgraded below the Minimum Credit Rating. If the 3% limit is exceeded, then any investment below the Minimum Credit Rating that has not been upgraded within a six-month period, will be sold.

The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.

The Fund may hold up to a maximum of 20% of its Net Asset Value in asset-backed securities and up to 20% of its Net Asset Value in contingent convertible debt securities.

The Fund will typically invest directly. The Fund may also invest indirectly via derivative instruments to take both long and short positions to meet the Fund's investment objective, for efficient portfolio management and for the purpose of hedging. These instruments may include, but are not limited to, spot and forward contracts, exchange traded futures, credit default swaps, interest rate swaps and total return swaps.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

Investment Strategy

Investment Approach

The Fund is globally diversified by investing in a range of issuers, sectors and geographies. The Investment Manager applies an investment approach which seeks to take advantage of fundamental and relative value opportunities. Investment returns will primarily be driven by individual credit selection.

An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund. This assessment involves understanding the risks specific to each issuer, which enables the Investment Manager to make a judgement on the value of the bond and whether it is mis-priced.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

Bloomberg Global Aggregate Corporate Index USD Hedged

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.

The benchmark is shown in the Share Class currency.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking a total return from a portfolio of global fixed income investments, and who have sustainability preferences. There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency

USD

Currency Hedged Share Classes

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference

Currency of the Fund.

Calculation of Global Exposure

Relative VaR

The global exposure relating to this Fund will be calculated using a relative VaR approach benchmarked against the Bloomberg Global Aggregate Corporate Index USD Hedged.

Leverage

The Fund's expected average level of leverage under normal market conditions is 250% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.

The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest Rate
- Liquidity
- Counterparty
- Emerging markets
- Securitised bonds
- Contingent convertible debt securities
- Derivative instruments
- Exposure greater than net asset value
- Short sales
- ESG data
- Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	0.40%	4.00%	-	-	-	0.05%	0.15%
A2	0.85%	4.00%	-	-	-	0.05%	0.15%
C	0.15%	1.25%	-	-	-	0.05%	0.15%
CI	0.15%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.25%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.25%	-	-	-	-	0.01%	0.15%
LI	0.05%	1.25%	-	-	-	0.01%	0.15%
N	Up to 0.65%	4.00%	-	-	-	0.05%	0.15%
X*	0.85%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

* Class X specific provisions

X Shares Classes are automatically switched free of charge for Shares of Class A2 of the Fund, on or shortly after the third anniversary of their original subscription date.

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Global Credit Investment Fund
Legal Entity Identifier: 549300DOA2EQY3C0OC82

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

0%

● **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



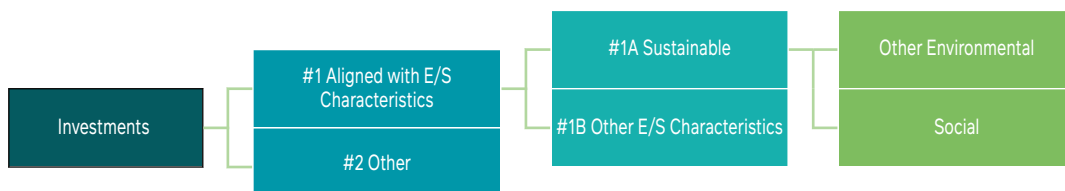
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

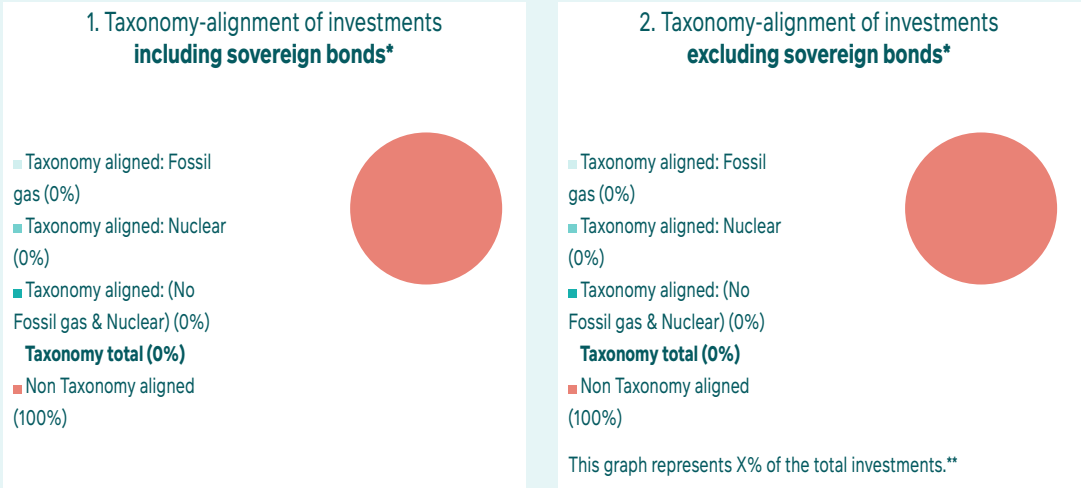
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

 **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

 **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

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

Launch Date 13 September 2018

Investment Objective The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the global floating rate high yield bond market over any five-year period.

Investment Policy The Fund invests at least 70% of its Net Asset Value in high yield floating rate bonds issued by companies or governments anywhere in the world and denominated in any currency. The Fund does not take currency views and aims to hedge any non-USD assets to USD. Exposure to these securities may be achieved, either directly or synthetically, through various combinations of government securities, corporate bonds and derivatives.

The investment process of the Fund is based on the bottom-up analysis of individual bond issues whilst remaining aware of macroeconomic developments.

In addition to high yield securities, the Fund may invest in unrated debt securities up to a combined maximum of 100% of the Fund's Net Asset Value. There are no credit quality restrictions with respect to the high yield debt securities in which the Fund may invest.

The Fund may hold up to a maximum of 20% of its Net Asset Value in asset-backed securities, up to a maximum of 20% of its Net Asset Value in contingent convertible debt securities.

Derivative instruments, both long and short can be used to meet the Fund's objective, for efficient portfolio management and for the purpose of hedging. These derivative instruments may include, but are not limited to, spot and forward contracts, exchange traded futures, credit default swaps, interest rate swaps and total return swaps.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 30% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

Investment Strategy **Investment Approach**

The Fund is designed to provide an attractive level of income, along with a natural hedge against rising interest rates, by investing mainly in high yield floating rates notes (FRNs). Part of this exposure is expected to be gained through the use of derivatives.

FRNs are bonds which pay a variable rate of income, which is regularly reset in line with changes in interest rates. If interest rates rise, investors in FRNs will benefit from a higher income as their coupons are automatically adjusted upwards (equally, should interest rates fall, then the coupons will be adjusted downwards).

The Fund focuses on bonds issued by high yield companies, which typically pay higher rates of interest to compensate investors for the greater risk of default. The Fund will be globally diversified and the Investment Manager will seek to provide exposure to a broad range of individual issuers across a variety of industrial sectors.

The Investment Manager has the flexibility to adjust the Fund's credit exposure, sector positioning and regional allocations depending on the assessment of current market valuations and the macroeconomic environment, including the likely path of economic growth, inflation and interest rates.

Individual credit selection is carried out in conjunction with the in-house team of credit analysts, which provides bottom-up analysis of the corporate bond markets to complement the Investment Manager's views.

Responsible Investment Approach

The Fund is categorised as ESG Integrated.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

SFDR

The Fund is categorised as an Article 6 fund under SFDR. This Fund does not promote environmental or social characteristics, therefore, the Investment Manager does not systematically consider the adverse impacts of its investment decisions on Sustainability Factors. The Fund does consider sustainability risks and their impacts as detailed in the section "Sustainability Risks".

Taxonomy Regulation

The Fund's underlying investments do not take into account the EU criteria for environmentally sustainable economic activities.

Performance Comparator

ICE BofAML Global Floating Rate High Yield Index (3% constrained) USD Hedged

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.

The benchmark is shown in the Share Class currency.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to gain a combination of capital growth and income from a portfolio of mainly high yield corporate or government floating rate notes, but who appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency

USD

Currency Hedged Share Classes

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Calculation of Global Exposure**Relative VaR**

The global exposure relating to this Fund will be calculated using a relative VaR approach benchmarked against the ICE BofAML Global Floating Rate High Yield Index (3% constrained) USD Hedged.

Leverage

The Fund's expected average level of leverage under normal market conditions is 300% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.

The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Liquidity
- Derivative instruments
- Counterparty
- Emerging markets
- Securitised bonds
- Contingent convertible debt securities
- Exposure greater than net asset value
- Short sales

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.00%	4.00%	-	-	-	0.05%	0.15%
B	1.50%	-	-	-	-	0.05%	0.15%
C	0.40%	1.25%	-	-	-	0.05%	0.15%
CI	0.40%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.40%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.40%	-	-	-	-	0.01%	0.15%
X	1.00%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

M&G (Lux) Global High Yield Bond Fund

Launch Date	9 November 2018
Investment Objective	The Fund aims to provide a higher total return (capital growth plus income) than that of the global high yield bond market over any five-year period while applying ESG Criteria.
Investment Policy	<p>The Fund invests at least 80% of its Net Asset Value in high yield bonds issued by companies denominated in any currency. The Fund does not take any currency views and aims to hedge any non-USD assets to USD. Issuers of these securities may be located in any country, including emerging markets.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>The investment process of the Fund is based on the bottom-up analysis of individual bond issues whilst remaining aware of macroeconomic developments.</p> <p>In addition to high yield securities, the Fund may invest in unrated debt securities up to a combined maximum of 100% of the Fund's Net Asset Value. There are no credit quality restrictions with respect to the high yield debt securities in which the Fund may invest.</p> <p>The Fund may hold up to a maximum of 20% of its Net Asset Value in asset-backed securities and up to a maximum of 20% of its Net Asset Value in contingent convertible debt securities.</p> <p>The Fund will typically invest directly. The Fund may also invest indirectly via derivative instruments to take both long and short positions to meet the Fund's investment objective, for efficient portfolio management and for the purpose of hedging. These instruments may include, but are not limited to spot and forward contracts, exchange traded futures, credit default swaps, interest rate swaps and total return swaps.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p>
Investment Strategy	<p>Investment Approach</p> <p>The Fund is globally diversified and the Investment Manager seeks to provide exposure to a broad range of individual issuers across a variety of industrial sectors.</p> <p>The Investment Manager has the flexibility to adjust the Fund's credit exposure, sector positioning and regional allocations depending on the assessment of current market valuations and the macroeconomic environment, including the likely path of economic growth, inflation and interest rates.</p>

Individual credit selection is carried out in conjunction with the in-house team of credit analysts, which provides bottom-up analysis of the corporate bond markets to complement the Investment Manager's views.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

ICE BofAML Global High Yield Index USD Hedged

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.

The benchmark is shown in the Share Class currency.

Profile of Typical Investor

The Fund is designed for retail, professional or Institutional Investors seeking to gain a combination of capital growth and income, while generating a high level of income, from a portfolio of predominantly higher yielding corporate debt (or derivatives giving such exposure) and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency

USD

Currency Hedged Share Classes

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Calculation of Global Exposure

Relative VaR

The global exposure relating to this Fund will be calculated using a relative VaR approach benchmarked against the ICE BofAML Global High Yield Index USD Hedged.

Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 250% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Distribution Policy	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a monthly basis.
Main Risks	<p>The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.</p> <ul style="list-style-type: none"> • Capital & income will vary • Credit • Interest rate • Emerging markets • Liquidity • Counterparty • Securitised bonds • Contingent convertible debt securities • Derivative instruments • Exposure greater than net asset value • Short sales • ESG data • Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.00%	4.00%	-	-	-	0.05%	0.15%
B	1.50%	-	-	-	-	0.05%	0.15%
C	0.40%	1.25%	-	-	-	0.05%	0.15%
CI	0.40%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.40%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.40%	-	-	-	-	0.01%	0.15%
L	Up to 0.40%	1.25%	-	-	-	0.05%	0.15%
LI	Up to 0.40%	1.25%	-	-	-	0.01%	0.15%
N	Up to 1.00%	4.00%	-	-	-	0.05%	0.15%
X	1.00%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Global High Yield Bond Fund
Legal Entity Identifier: 54930015HVJ3E1WOB628

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

● ● ☐ Yes

● ● ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment

● What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

● **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund."

● **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above. Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.
- ☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section ""What is the asset allocation planned for this financial product?""; and
- Minimum levels of sustainable investments, as set out in the section ""What is the asset allocation planned for this financial product?"".

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

0%

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



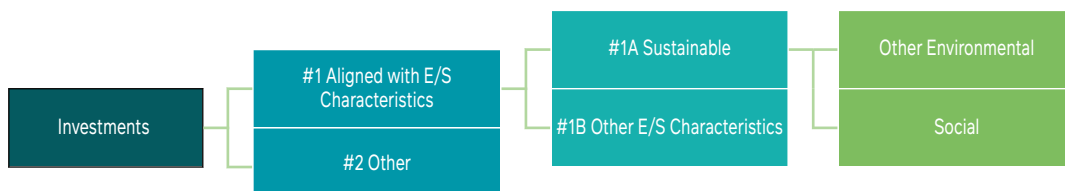
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0% Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

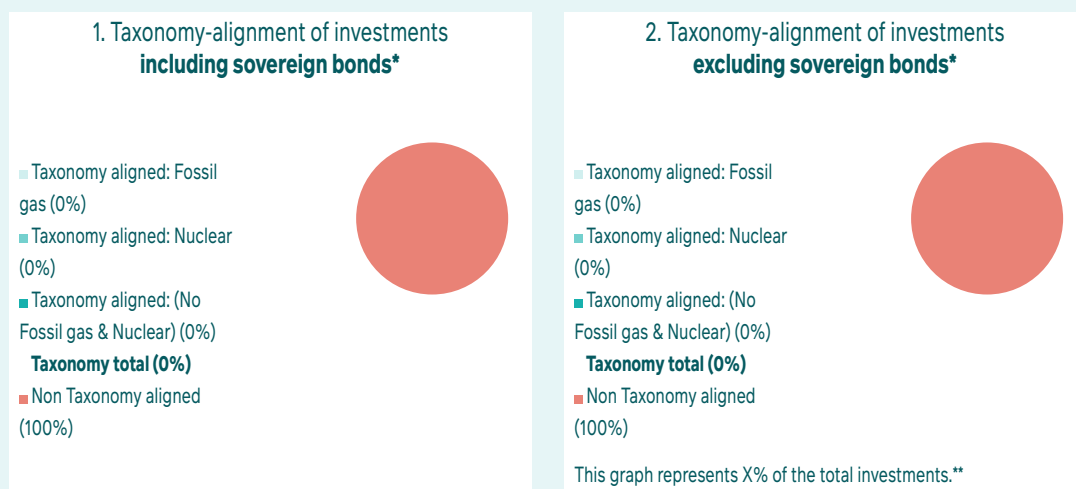
¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%



- **What is the minimum share of socially sustainable investments?**
5%



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Global Macro Bond Fund

Launch Date	26 October 2018
Investment Objective	The Fund aims to provide a higher total return (capital growth plus income) than that of the global bond market over any five-year period while applying ESG Criteria.
Investment Policy	<p>The Fund invests at least 80% of its Net Asset Value in debt securities, including investment grade bonds, high yield bonds, unrated securities and asset-backed securities. These securities may be issued by governments and their agencies, public authorities, quasi sovereigns, supranational bodies and companies. Issuers of these securities may be located in any country, including emerging markets and denominated in any currency.</p> <p>There are no credit quality restrictions applicable to the investments and the Fund may invest up to 100% of its Net Asset Value in high yield and unrated debt securities.</p> <p>The Fund may invest in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.</p> <p>The Fund may invest up to 100% of its Net Asset Value in asset-backed securities and up to 20% of its Net Asset Value in contingent convertible debt securities.</p> <p>The Fund may invest in asset-backed securities, including mortgage-backed securities (commercial, agency residential, prime residential, non-prime residential), cash collateralised debt obligation, cash collateralised loan obligation, auto prime, auto subprime, consumer loan, credit card, student loan, aircraft loan/lease, equipment lease, small business loan/lease, whole business securitisation, single family rentals and other securitised assets.</p> <p>The Fund is a flexible bond fund that allows investment across a broad range of fixed income assets according to where the Investment Manager finds value. The Investment Manager also seeks to add value through active management of the Fund's exposure to global currencies. The Investment process of the Fund is based on macroeconomic research to identify global investment themes and opportunities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>The Fund will typically invest directly. The Fund may also invest indirectly via derivative instruments to take both long and short positions and to gain exposure to investments exceeding the Net Asset Value of the Fund in order to increase potential returns in both rising and falling markets. Derivative instruments can be used to meet the Fund's investment objective, for efficient portfolio management and for the purpose of hedging. These instruments may include, but are not limited to, spot and forward contracts, exchange traded futures, options, credit default swaps, interest rate swaps, total return swaps and credit linked notes.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The</p>

Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

Investment Strategy

Investment Approach

The Fund's investment approach is driven primarily by the Investment Manager's views on macroeconomic factors such as economic growth, interest rates and inflation.

This assessment determines the type of debt securities in which the Investment Manager believes the Fund should invest in order to achieve its objective. It also influences the portfolio's mix of interest rate risk, credit risk and currency exposure.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

Bloomberg Global Aggregate Index

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.

The benchmark is shown in the Share Class currency.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to gain a combination of capital growth and income from a portfolio composed mainly of debt securities and currencies that can be from anywhere in the world, and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency

USD

Currency Hedged Share Classes

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Calculation of Global Exposure**Absolute VaR****Leverage**

The Fund's expected average level of leverage under normal market conditions is 200% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.

The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Counterparty
- Liquidity
- Securitised bonds
- Contingent convertible debt securities
- Emerging markets
- China
- Derivative instruments
- Exposure greater than net asset value
- Short Sales
- Negative duration
- ESG data
- Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.25%	4.00%	-	-	-	0.05%	0.15%
B	1.75%	-	-	-	-	0.05%	0.15%
C	0.65%	1.25%	-	-	-	0.05%	0.15%
CI	0.65%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.65%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.65%	-	-	-	-	0.01%	0.15%
X	1.25%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Global Macro Bond Fund
Legal Entity Identifier: 549300OHGMRPCONPD471

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

● ● ☐ Yes

● ● ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of % of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment

● What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Fund does not target investment in sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The Fund does not target investment in sustainable investments.

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Fund does not target investment in sustainable investments.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

The Fund does not target investment in sustainable investments.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions; and

- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?".

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

0%

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



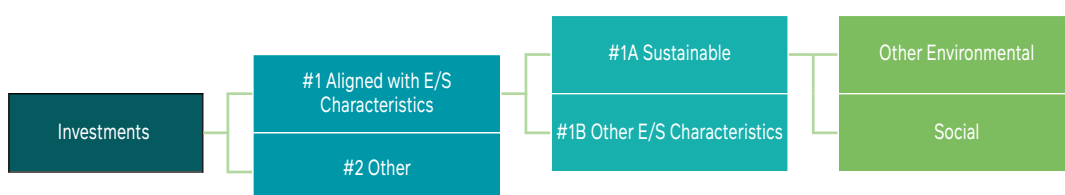
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

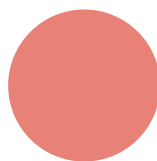
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

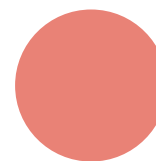
1. Taxonomy-alignment of investments including sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
 ■ Taxonomy aligned: Nuclear (0%)
 ■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
 ■ Non Taxonomy aligned (100%)



2. Taxonomy-alignment of investments excluding sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
 ■ Taxonomy aligned: Nuclear (0%)
 ■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
 ■ Non Taxonomy aligned (100%)



This graph represents X% of the total investments.**

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● **What is the minimum share of investments in transitional and enabling activities?**
 0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%



What is the minimum share of socially sustainable investments?

0%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Optimal Income Fund

Launch Date	5 September 2018
Investment Objective	The Fund aims to provide a total return (capital growth plus income) to investors based on exposure to optimal income streams in investment markets, while applying ESG Criteria.
Investment Policy	<p>The Fund invests at least 50% of its Net Asset Value in debt securities, including investment grade bonds, high yield bonds, unrated securities and asset-backed securities. These securities may be issued by governments and their agencies, public authorities, quasi-sovereigns, supranational bodies and companies. Issuers of these securities may be located in any country, including emerging markets, and denominated in any currency. At least 80% of the Net Asset Value will be in EUR or hedged into EUR.</p> <p>While the Fund's overall duration will not be negative, the Fund may derive negative duration from individual fixed income markets.</p> <p>The Fund may invest up to a combined maximum of 100% of the Fund's Net Asset Value in below investment grade and unrated securities. There are no credit quality restrictions with respect to the debt securities in which the Fund may invest</p> <p>The Fund may invest in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.</p> <p>The Fund may also hold up to a maximum of 20% of its Net Asset Value in contingent convertible debt securities and up to a maximum of 20% of its Net Asset Value in asset-backed securities.</p> <p>The Fund is a flexible bond fund that allows investment across a broad range of fixed income assets according to where the Investment Manager finds value. In identifying the optimal income stream, the Fund also has the flexibility to invest up to a maximum of 20% of its Net Asset Value in equities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 50% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchange traded futures, credit default swaps, total return swaps, interest rate swaps and credit linked notes.</p>

Investment Strategy	Investment Approach
	<p>The Investment Manager begins with a top-down assessment of the macroeconomic environment, including the likely path of growth, inflation and interest rates. The results of this analysis help inform the Fund's duration positioning and its allocation to the various bond asset classes.</p> <p>Individual credit selection based on bottom-up analysis of the corporate bond markets by in-house credit analysts complements the Investment Manager's views.</p> <p>Investment Manager's ESG Classification</p> <p>The Fund is categorised as Planet+ / ESG Enhanced.</p> <p>The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.</p>
EU Sustainable Finance Disclosure Regulation	The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.
Benchmark	<p>A composite index comprising:</p> <p>1/3 Bloomberg Global Aggregate Corporate Index EUR Hedged 1/3 Bloomberg Global High Yield Index EUR Hedged 1/3 Bloomberg Global Treasury Index EUR Hedged</p> <p>These indices represent the global investment grade corporate market, the global high yield corporate market and the global government bond market respectively.</p> <p>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.</p> <p>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.</p> <p>The benchmark is shown in the Share Class currency.</p>
Profile of Typical Investor	<p>The Fund is designed for retail and Institutional Investors seeking to gain a combination of capital growth and income from a portfolio at least half of which is invested in debt securities and who have sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund is designed for investors who have an investment time horizon of at least five years.</p>
Reference Currency	EUR

Currency Hedged Share Classes	Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Calculation of Global Exposure	Absolute VaR
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 200% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
V Share Classes specific provisions	<p>Subscriptions:</p> <p>Class V Shares in the Fund will have an Initial Offer Period (the "IOP") when investors can make subscriptions prior to the launch of the Class V Shares. The IOP will be determined by the Management Company, at its entire discretion.</p> <p>No subscription is permitted in Class V Shares after the end of the IOP unless the Management Company should determine, at its discretion, to allow further subscriptions into Class V Shares.</p> <p>For all other Share Classes, see section "Subscriptions" of the Prospectus.</p> <p>Switches:</p> <p>Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company.</p> <p>Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the second anniversary plus six months of the end of the IOP.</p> <p>The above provisions shall also apply to any successive V share classes issued in the Fund.</p>
Distribution Policy	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.
Main Risks	<p>The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.</p> <ul style="list-style-type: none"> • Capital & income will vary • Credit • Interest rate • Currency & exchange rate • Emerging markets • China • Securitised bonds • Contingent convertible debt securities • Derivative instruments • Exposure greater than net asset value • Short sales • Liquidity • Counterparty • ESG data • Investments exclusions

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Switching Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.25%	4.00%	-	-	-	-	0.05%	0.15%
B	1.75%	-	-	-	-	-	0.05%	0.15%
C	0.75%	1.25%	-	-	-	-	0.05%	0.15%
J	Up to 0.75%	1.25%	-	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
X	1.25%	-	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
V	1.25%	-	See Redemption Charge Schedule below	See Switching Charge Schedule below	-	-	0.05%	0.15%
Z	-	1.25%	-	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Class V Redemption Charge Schedule

Shareholders who redeem from Class V Shares within two and a half years of the end of the IOP will be subject to a redemption charge from the redemption proceeds as follows:

Year	1	2	2.5
Redemption Charge	2.50%	2.50%	2.50%

Class V Switching Charge Schedule

With the exception of the automatic switch from Class V into Class A as referred to in the “V Share Classes specific provisions” section above, shareholders who switch from Class V Shares within two and a half years of the end of the IOP will be subject to a switching charge on the switch amount as follows:

Year	1	2	2.5
Switching Charge	2.50%	2.50%	2.50%

The Management Company or the Directors may reduce or waive the Redemption Charge or the Switching Charge amount in their sole discretion.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Optimal Income Fund
Legal Entity Identifier: 5493008ON3OV4FEXKY59

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

● ● ☐ Yes

● ● ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment

● What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section ""What is the asset allocation planned for this financial product?""; and
- Minimum levels of sustainable investments, as set out in the section ""What is the asset allocation planned for this financial product?"".

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

0%

- **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



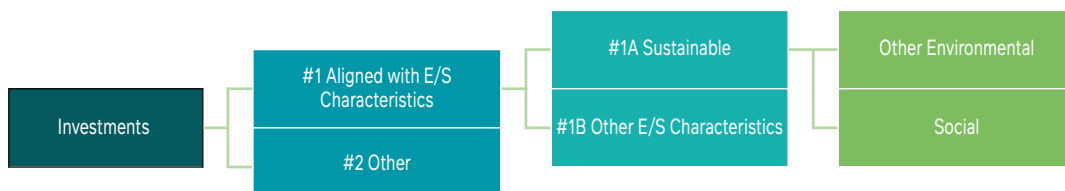
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

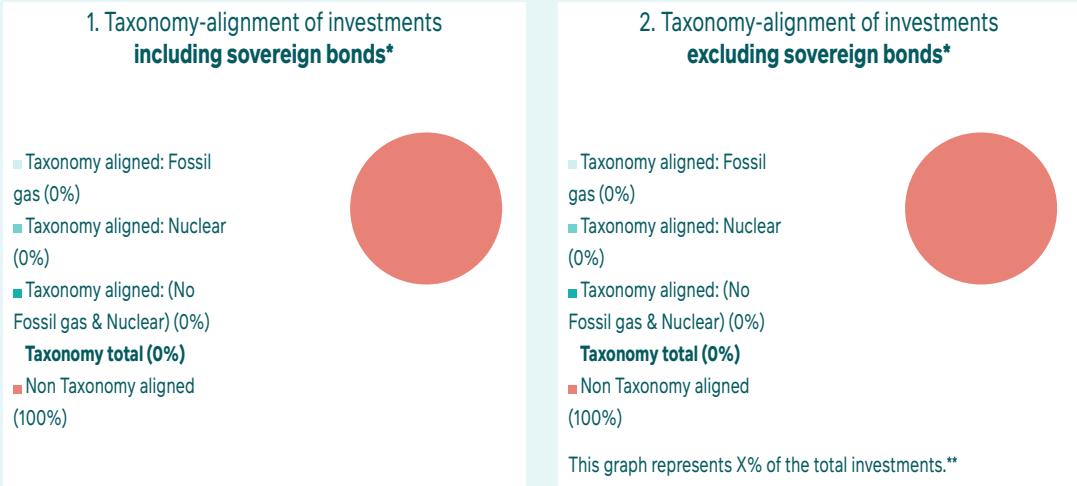
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

-  **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

-  **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Short Dated Corporate Bond Fund

Launch Date	26 October 2018
Investment Objective	The Fund aims to provide a higher total return (capital growth plus income) than that of the short dated investment grade corporate bond market over any five year period while applying ESG Criteria.
Investment Policy	<p>The Fund invests at least 80% of its Net Asset Value in fixed and floating rate debt securities issued by investment grade companies and in asset-backed securities.</p> <p>The Fund may also invest in high yield corporate bonds, debt securities issued by governments and their agencies, public authorities, quasi-sovereigns and supranational bodies. The Fund may also invest in unrated bonds. There are no credit quality restrictions with respect to the high yield debt securities in which the Fund may invest.</p> <p>These securities may be issued anywhere in the world, including emerging markets and denominated in any currency. The Fund does not take currency views and aims to hedge any non-EUR assets to EUR.</p> <p>The Fund uses an investment process that is based on both a top-down macroeconomic view and fundamental analysis of individual securities.</p> <p>The Fund invests in short dated corporate bonds and/or securities which on aggregate produce a low portfolio duration, in order to limit the effect of interest rate movements on the Fund's capital value.</p> <p>The Fund may invest up to a combined maximum of 20% of the Fund's Net Asset Value in high yield and unrated securities.</p> <p>The Fund may hold up to 100% of its Net Asset Value in asset-backed securities and up to a maximum of 20% of its Net Asset Value in contingent convertible debt securities.</p> <p>The Fund may invest in asset-backed securities, including mortgage-backed securities (commercial, agency residential, prime residential, non-prime residential), cash collateralised debt obligation, cash collateralised loan obligation, auto prime, auto subprime, consumer loan, credit card, student loan, aircraft loan/lease, equipment lease, small business loan/lease, whole business securitisation, single family rentals and other securitised assets.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>The Fund will typically invest directly. The Fund may also invest indirectly via derivative instruments to take both long and short positions to meet the Fund's investment objective and for efficient portfolio management. Such derivative instruments may also be used for the purpose of hedging. These derivative instruments may include, but are not limited to, spot and forward contracts, exchange traded futures, credit default swaps, interest rate swaps, and total return swaps.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p>

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

Investment Strategy

Investment Approach

The Investment Manager considers macroeconomic, asset class, sector, geographic and individual credit-level factors.

The dynamic investment approach combines top-down and bottom-up stock selection, allowing the Investment Manager to change the blend of duration and credit exposure based on the outlook for bond markets, while maintaining its inherently low duration profile through its bias towards short-dated corporate bonds.

An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of names held by the Fund.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

Markit iBoxxEUR Corporates 1-3 year Index

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.

The benchmark is shown in the Share Class currency.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking a total return from a portfolio of global fixed income investments that has a low portfolio duration on average, and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency

EUR

Currency Hedged Share Classes Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Calculation of Global Exposure Absolute VaR

Leverage The Fund's expected average level of leverage under normal market conditions is 150% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.

The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Distribution Policy If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.

Main Risks The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Securitised bonds
- Emerging markets
- Contingent convertible debt securities
- Liquidity
- Counterparty
- Derivative instruments
- Exposure greater than net asset value
- Short sales
- ESG data
- Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	0.25%	3.25%	-	-	-	0.05%	0.15%
A2	0.60%	3.25%	-	-	-	0.05%	0.15%
C	0.10%	1.25%	-	-	-	0.05%	0.15%
CI	0.10%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.10%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.10%	-	-	-	-	0.01%	0.15%
X*	0.60%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

* Class X specific provisions

X Shares Classes are automatically switched free of charge for Shares of Class A2 of the Fund, on or shortly after the third anniversary of their original subscription date.

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Short Dated Corporate Bond Fund
Legal Entity Identifier: 549300PT8Y5VIWCSE97

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

☐

It will make a minimum of **sustainable investments with an environmental objective**:

☐

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐

It will make a minimum of **sustainable investments with a social objective**:

☒

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒

with a social objective

☐

It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager’s proprietary scoring methodology (“Exclusionary Approach”). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund’s exclusions, please refer to the Fund’s website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund’s promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

 - Exclusionary approach: Percentage (%) of NAV held in excluded investments
 - Exclusionary approach: Percentage (%) of ABS below the Investment Manager’s threshold for alignment

271.1

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

● What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



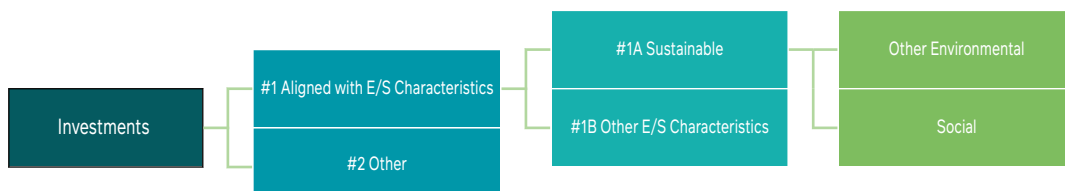
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

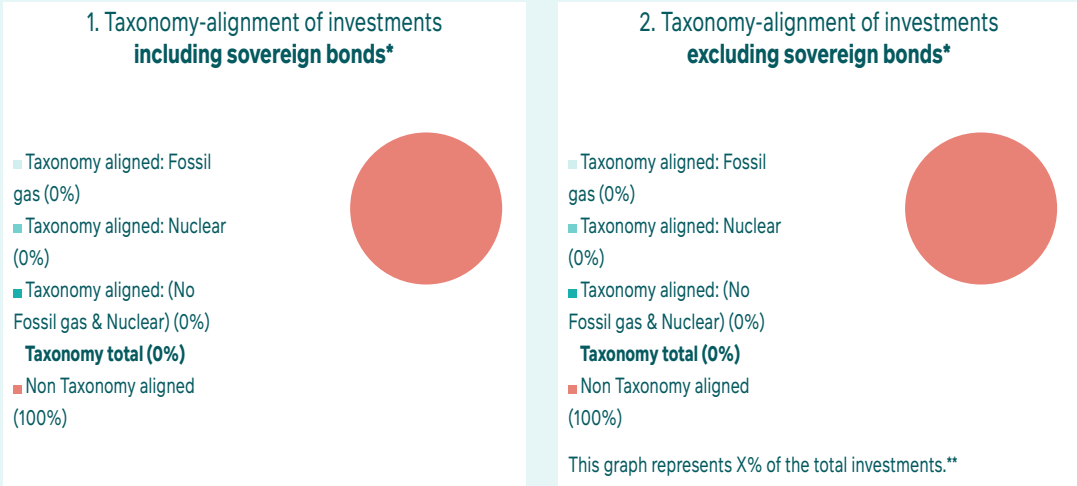
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

-  **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

-  **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund

Launch Date	25 July 2019
Investment Objective	The Fund aims to provide a higher total return (capital growth plus income) than that of the corporate bond market in emerging markets over any three-year period while applying ESG Criteria.
Investment Policy	<p>The Fund invests at least 80% of its Net Asset Value in debt securities issued by companies and quasi-sovereigns that are incorporated, domiciled, or do most of their business activity in emerging markets, and are denominated in hard currency.</p> <p>The Fund may also invest in debt securities issued or guaranteed by emerging market governments or their agencies, local authorities, public authorities and supranational bodies and other debt securities denominated in any currency.</p> <p>The Fund may invest in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.</p> <p>There are no credit quality restrictions applicable to the investments and the Fund may invest up to 100% of its Net Asset Value in below investment grade and unrated debt securities.</p> <p>The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and a Positive ESG Outcome as described in the precontractual annex to this Fund Supplement.</p> <p>The Fund may invest up to 10% of its Net Asset Value in asset-backed securities.</p> <p>The Fund may invest in contingent convertible debt securities up to 20% of its Net Asset Value.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchange traded futures, credit default swaps, interest rate swaps and credit linked notes.</p>
Investment Strategy	<p>Investment Approach</p> <p>The Fund's investment approach involves an in-depth analysis of corporate bond issuers from emerging markets. Given the nature of emerging markets, the analysis of corporate bonds and their issuers will be performed in conjunction with a detailed credit assessment of the relevant sovereign(s).</p> <p>Investment Manager's ESG Classification</p>

The Fund is categorised as Planet+ / Sustainable.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation **The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.**

Benchmark JPM CEMBI Broad Diversified Index

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.

The benchmark is shown in the share class currency.

Profile of Typical Investor The Fund is designed for retail and Institutional Investors who seek capital growth and income from a portfolio of emerging market corporate debt securities and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least three years.

Reference Currency USD

Currency Hedged Share Classes Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Calculation of Global Exposure Relative VaR
The global exposure relating to this Fund will be calculated using a relative VaR approach benchmarked against the JPM CEMBI Broad Diversified Index.

Leverage The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.

The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Distribution Policy If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Emerging markets
- China
- Interest rate
- Credit
- Currency & exchange rate
- Liquidity
- Counterparty
- Securitised bonds
- Contingent convertible debt securities
- Derivative instruments
- Exposure greater than net asset value
- Short sales
- ESG data
- Investments exclusions

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.50%	4.00%	-	-	-	0.05%	0.15%
B	2.00%	-	-	-	-	0.05%	0.15%
C	0.60%	1.25%	-	-	-	0.05%	0.15%
CI	0.60%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.60%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.60%	-	-	-	-	0.01%	0.15%
L	0.15%	1.25%	-	-	-	0.05%	0.15%
LI	0.15%	1.25%	-	-	-	0.01%	0.15%
N	Up to 1.50%	4.00%	-	-	-	0.05%	0.15%
X	1.50%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 – M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund
Legal Entity Identifier: 2549007K6TQBRKISX148

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach and a strategy to achieve a Positive ESG Outcome (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society and to assist it in delivering more sustainable outcomes. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to do significant harm to environmental and/or social objectives.

The Fund typically has a higher weighted average ESG rating and lower weighted average carbon intensity than an index used as a proxy for its investment universe ("Positive ESG Outcome"). The Fund's calculation methodology does not include those securities that do not have carbon intensity data respectively, or cash, near cash, some derivatives and some collective investment schemes.

In constructing a portfolio which favours investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings remaining within the narrowed universe. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments

- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
- Positive ESG Outcome: Portfolio weighted average ESG score versus investment universe weighted average ESG score
- Positive ESG Outcome: Portfolio weighted average carbon intensity versus investment universe weighted average carbon intensity

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

● **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

● **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Sustainability considerations, encompassing ESG factors, are fully integrated into analysis and investment decisions, and play an important role in determining the investment universe and portfolio construction.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then assesses the ESG credentials of the remaining issuers. Based upon a combination of external ESG ratings and the Investment Manager's assessment, lower scoring issuers classified as ESG laggards are excluded.
3. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities. The Investment Manager favours issuers with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. This process typically results in a portfolio with better ESG characteristics. In constructing a portfolio which favours investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings remaining within the narrowed universe.

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

20%

Whilst any commitment on the minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy as a result of the Fund's exclusions is intended to be binding, as this is calculated by considering the Fund's exclusions against a proxy for the investment universe (such as a financial index) outside the control of the Investment Manager, and as additional exclusions will require an update of fund materials, it is possible that the Fund may temporarily be out of compliance with this commitment.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



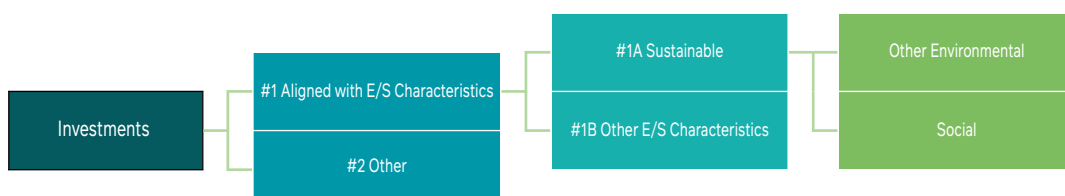
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

We expect at least 70% of the fund to be aligned to the promoted E/S characteristics. At least 40% of the fund will be in Sustainable Investments

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

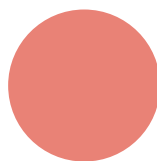
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

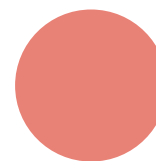
1. Taxonomy-alignment of investments including sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
 ■ Taxonomy aligned: Nuclear (0%)
 ■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
 ■ Non Taxonomy aligned (100%)



2. Taxonomy-alignment of investments excluding sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
 ■ Taxonomy aligned: Nuclear (0%)
 ■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
 ■ Non Taxonomy aligned (100%)



This graph represents X% of the total investments.**

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● **What is the minimum share of investments in transitional and enabling activities?**
 0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

5%



What is the minimum share of socially sustainable investments?

5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Sustainable Global High Yield Bond Fund

Launch Date 5 October 2017

Investment Objective The Fund aims to provide a higher total return (capital growth plus income) than that of the sustainable global high yield market over any five-year period, while applying ESG Criteria.

Investment Policy The Fund invests at least 80% of its Net Asset Value in high yield bonds issued by companies located anywhere in the world including emerging markets, and denominated in any currency.

The Fund does not take currency views and aims to hedge any non-USD assets to USD. There are no credit quality restrictions applicable to the investments and the Fund may invest up to 100% of its Net Asset Value in high yield and unrated debt securities.

The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and a Positive ESG Outcome as described in the precontractual annex to this Fund Supplement.

The Fund may invest up to 20% of its Net Asset Value in asset-backed securities and up to 20% of its Net Asset Value in contingent convertible debt securities.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchange traded futures, credit default swaps, interest rate swaps, total return swaps and credit linked notes.

Investment Strategy **Investment Approach**

The Fund is globally diversified and seeks to provide exposure to a broad range of issuers across a variety of sectors.

The Investment Manager has the flexibility to adjust the Fund's credit exposure, sector positioning and regional allocations based on the assessment of current market valuations and the macroeconomic environment.

Individual credit selection based on bottom-up analysis of the corporate bond markets by in-house credit analysts complements the Investment Manager's views.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / Sustainable.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation	The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.
Benchmark	<p>Bloomberg MSCI Global HY Corporate ESG BB+ Sustainable SRI Bond Index USD hedged</p> <p>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.</p> <p>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.</p> <p>The Investment Manager refers to the benchmark when constructing the Fund's portfolio but is not bound by the benchmark rules when selecting investments. Further information on the benchmark can be found on the Bloomberg website.</p> <p>For unhedged Share Classes, the benchmark is shown in the Share Class currency. For Hedged Share Classes, the benchmark is hedged to the Share Class currency.</p>
Profile of Typical Investor	<p>The Fund is designed for retail and Institutional Investors who seek capital growth and income from a portfolio of higher yielding corporate debt securities and who have sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objectives. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund is designed for investors who have an investment time horizon of at least five years.</p>
Reference Currency	USD
Currency Hedged Share Classes	Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Calculation of Global Exposure	<p>Relative VaR</p> <p>The global exposure relating to this Fund will be calculated using a relative VaR approach benchmarked against the Bloomberg MSCI Global HY Corporate ESG BB+ Sustainable SRI Bond Index.</p>
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 150% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Distribution Policy	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & Income will vary
- Credit
- Interest rate
- Emerging markets
- Contingent convertible debt securities
- Securitised bonds
- Liquidity
- Counterparty
- Derivative instruments
- Exposure greater than net asset value
- Short sales
- ESG data
- Investments exclusions

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.00%	4.00%	-	-	-	0.05%	0.15%
B	1.50%	-	-	-	-	0.05%	0.15%
C	0.40%	1.25%	-	-	-	0.05%	0.15%
CI	0.40%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.40%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.40%	-	-	-	-	0.01%	0.15%
L	0.15%	1.25%	-	-	-	0.05%	0.15%
LI	0.15%	1.25%	-	-	-	0.01%	0.15%
N	Up to 1.00%	4.00%	-	-	-	0.05%	0.15%
X	1.00%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section “Fees and Expenses” of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 – M&G (Lux) Sustainable Global High Yield Bond Fund
Legal Entity Identifier: 222100FNZWQINHRH8058

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach and a strategy to achieve a Positive ESG Outcome (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society and to assist it in delivering more sustainable outcomes. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to do significant harm to environmental and/or social objectives.

The Fund typically has a higher weighted average ESG rating and lower weighted average carbon intensity than an index used as a proxy for its investment universe ("Positive ESG Outcome"). The Fund's calculation methodology does not include those securities that do not have carbon intensity data respectively, or cash, near cash, some derivatives and some collective investment schemes.

In constructing a portfolio which favours investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings remaining within the narrowed universe. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments

- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
- Positive ESG Outcome: Portfolio weighted average ESG score versus investment universe weighted average ESG score
- Positive ESG Outcome: Portfolio weighted average carbon intensity versus investment universe weighted average carbon intensity

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

● **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

● **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

Sustainability considerations, encompassing ESG factors, are fully integrated into analysis and investment decisions, and play an important role in determining the investment universe and portfolio construction.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then assesses the ESG credentials of the remaining issuers. Based upon a combination of external ESG ratings and the Investment Manager's assessment, lower scoring issuers classified as ESG laggards are excluded.
3. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities. The Investment Manager favours issuers with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. This process typically results in a portfolio with better ESG characteristics. In constructing a portfolio which favours investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings remaining within the narrowed universe.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

20%

Whilst any commitment on the minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy as a result of the Fund's exclusions is intended to be binding, as this is calculated by considering the Fund's exclusions against a proxy for the investment universe (such as a financial index) outside the control of the Investment Manager, and as additional exclusions will require an update of fund materials, it is possible that the Fund may temporarily be out of compliance with this commitment.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



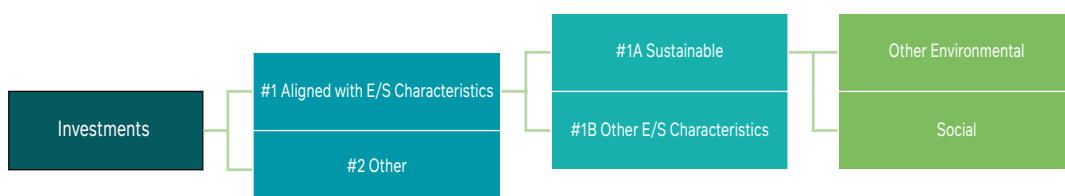
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

We expect at least 70% of the fund to be aligned to the promoted E/S characteristics. At least 40% of the fund will be in Sustainable Investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
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#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

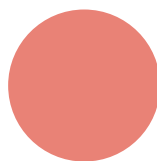
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

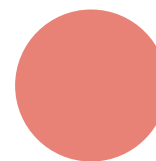
1. Taxonomy-alignment of investments including sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
 ■ Taxonomy aligned: Nuclear (0%)
 ■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
 ■ Non Taxonomy aligned (100%)



2. Taxonomy-alignment of investments excluding sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
 ■ Taxonomy aligned: Nuclear (0%)
 ■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
 ■ Non Taxonomy aligned (100%)



This graph represents X% of the total investments.**

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● **What is the minimum share of investments in transitional and enabling activities?**
 0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

5%



What is the minimum share of socially sustainable investments?

5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Sustainable Macro Flexible Credit Fund

Launch Date 24 February 2022

Investment Objective The Fund aims to provide a total return (income plus capital growth) of at least cash* plus 3.5% a year, before any charges** are taken, over any five-year period, while applying ESG Criteria.

* As based on 1-month Euribor, the rate at which banks borrow money from each other.

** Investors should refer to the section "Fees and Expenses".

Investment Policy The Fund invests at least 70% of its Net Asset Value in corporate bonds, government bonds, cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash, money market instruments, asset-backed securities, and preference shares.

The Fund may invest up to 40% of its Net Asset Value in asset-backed securities and mortgage-backed securities (including, but not limited to, consumer ABS, cash collateralised loan obligations, and whole-business securitisation).

The Fund may invest in convertible bonds including up to 20% of its Net Asset Value in contingent convertible debt securities.

Issuers of these securities may be located in any country, including emerging markets. Investments may be denominated in any currency however at least 75% of the Fund's Net Asset Value will be denominated in Euro or hedged back to Euro.

There are no credit quality restrictions applicable to these investments.

The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and a Positive ESG Outcome as described in the precontractual annex to this Fund Supplement.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchanged traded futures, options, credit default swaps, and interest rate swaps.

Investment Strategy **Investment Approach**

The Fund has the flexibility to invest in a broad range of debt securities across credit markets globally. The Fund aims to generate total return over the economic and credit cycles, using an investment approach which combines bottom-up credit selection and active management of interest rate exposure.

The credit selection strategy focuses on generating returns from market, sector and security selection. The Fund's interest rate exposure is adjusted in response to changes in the macroeconomic outlook and market conditions. Throughout the implementation of these

strategies, the Investment Manager actively manages interest rate exposure across the maturity spectrum as a complement to credit returns.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / Sustainable.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

1-month Euribor +3.5%

The benchmark is a target which the Fund seeks to achieve. The rate has been chosen as the Fund's benchmark as it is an achievable performance target based on the Fund's investment approach. The benchmark is used solely to measure the Fund's performance objective and does not constrain the Fund's portfolio construction.

The Fund is actively managed. The Investment Manager has complete freedom in choosing which assets to buy, hold and sell in the Fund.

The benchmark is shown in the share class currency as set out in the table below.

Share Class	Performance Comparator
CHF / CHF Hedged	SARON + 3.5%
GBP / GBP Hedged	SONIA + 3.5%
USD / USD Hedged	SOFR + 3.5%
JPY / JPY Hedged	TONA + 4-8%

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors who seek capital growth and income from a portfolio of global bonds and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Reference Currency

EUR

Currency Hedged Share Classes

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Calculation of Global Exposure

Absolute VaR

Leverage

The Fund's expected average level of leverage under normal market conditions is 450% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.

The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.

Fees and Expenses

The Management Company will take a single charge from each Share Class of the Fund to cover its duties, as well as operating, administration and oversight costs associated with these Share Classes in the Fund. Such charge will be calculated and taken into account daily ("Single Charge").

The Single Charge includes:

- Annual Management Charge;
- Administration Charge (the discount on the Administration Charge as described in the section "Fees and Expenses" of the Prospectus is not applicable to Funds that apply a Single Charge);
- *Taxe d'abonnement*;
- Depositary's Charge;
- Custody Charges and Custody Transaction Charges; and
- Other expenses.

The Single Charge excludes:

- Portfolio transaction costs (dealing spread, broker commissions, transfer taxes and stamp duty incurred by the Company on the Fund's transactions);
- Any initial charge or redemption charge;
- Any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge imposed on the Fund that would not be considered as ordinary expenses, and
- Any applicable Share Class Hedging Charge.

Where a Fund invests in the units or shares of other funds, the fees and expenses incurred in underlying funds follow the treatment described in the section "Fees and Expenses" of the Prospectus.

For Class Z and ZI Shares, the Single Charge will be administratively levied and collected directly from the investor by the Management Company.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Counterparty
- Negative duration
- Interest rate
- Currency & exchange rate
- Emerging markets
- Securitised bonds
- Contingent convertible debt securities
- Derivative instruments
- Liquidity
- Redemption charge
- ESG data
- Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Single Charge (annual rate)	Initial Charge	Redemption Charge
P	1.10%	3.25%	-
P2	1.10%	3.25%	-
U	0.52%	1.25%	-
UI	0.48%	1.25%	-
W	0.59%	1.25%	-
WI	0.55%	1.25%	-
Z	-	-	-
ZI	-	-	-

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply in addition to the Single Charge.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

Redemption Charge Schedule

Quarter	1	2	3	4	5	6	7	8	9	10	11	12
Redemption Charge	2.00%	1.83%	1.66%	1.49%	1.32%	1.15%	0.98%	0.81%	0.64%	0.47%	0.30%	0.13%

The Directors may reduce or waive the Redemption Charge amount in their sole discretion.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Sustainable Macro Flexible Credit Fund
Legal Entity Identifier: 254900MBYTIXGWFWE22

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 51% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach and a strategy to achieve a Positive ESG Outcome (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society and to assist it in delivering more sustainable outcomes. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to do significant harm to environmental and/or social objectives.

The Fund typically has a higher weighted average ESG rating and lower weighted average carbon intensity than an index used as a proxy for its investment universe ("Positive ESG Outcome"). The Fund's calculation methodology does not include those securities that do not have carbon intensity data respectively, or cash, near cash, some derivatives and some collective investment schemes.

In constructing a portfolio which favours investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings remaining within the narrowed universe. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments

- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
- Positive ESG Outcome: Portfolio weighted average ESG score versus investment universe weighted average ESG score
- Positive ESG Outcome: Portfolio weighted average carbon intensity versus investment universe weighted average carbon intensity

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

● **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

● **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

Sustainability considerations, encompassing ESG factors, are fully integrated into analysis and investment decisions, and play an important role in determining the investment universe and portfolio construction.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then assesses the ESG credentials of the remaining issuers. Based upon a combination of external ESG ratings and the Investment Manager's assessment, lower scoring issuers classified as ESG laggards are excluded.
3. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities. The Investment Manager favours issuers with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. This process typically results in a portfolio with better ESG characteristics. In constructing a portfolio which favours investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings remaining within the narrowed universe.

• What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

• What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

20%

Whilst any commitment on the minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy as a result of the Fund's exclusions is intended to be binding, as this is calculated by considering the Fund's exclusions against a proxy for the investment universe (such as a financial index) outside the control of the Investment Manager, and as additional exclusions will require an update of fund materials, it is possible that the Fund may temporarily be out of compliance with this commitment.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



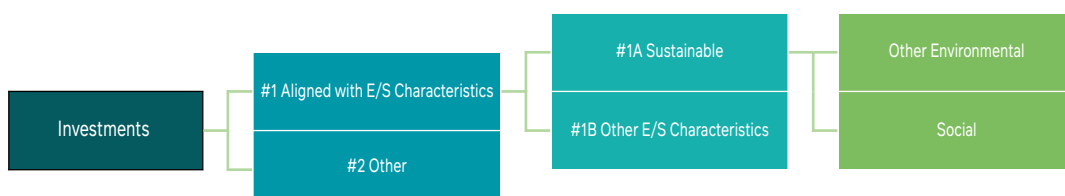
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the fund to be aligned to the promoted E/S characteristics. At least 51% of the fund will be in Sustainable Investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

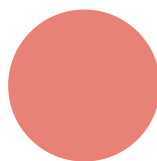
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

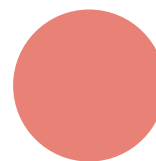
1. Taxonomy-alignment of investments including sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
 ■ Taxonomy aligned: Nuclear (0%)
 ■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
 ■ Non Taxonomy aligned (100%)



2. Taxonomy-alignment of investments excluding sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
 ■ Taxonomy aligned: Nuclear (0%)
 ■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
 ■ Non Taxonomy aligned (100%)



This graph represents X% of the total investments.**

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● **What is the minimum share of investments in transitional and enabling activities?**
 0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

5%



What is the minimum share of socially sustainable investments?

5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) responsAbility Sustainable Solutions Bond Fund

Launch Date 14 December 2021

Investment Objective The Fund has two aims:

- **Financial objective:** to provide a higher total return (capital growth plus income) than that of the sustainable global bond market over any five-year period, and
- **Sustainable objective:** to contribute to a sustainable economy by investing in global bonds supporting environmental and/or social goals.

Investment Policy The Fund invests at least 80% of its Net Asset Value in investment grade corporate bonds denominated in any currency. Investment grade includes unrated corporate bonds which are investment grade in the opinion of the Investment Manager.

The Fund does not take currency views and aims to hedge any non-Euro assets to EUR.

Issuers of these securities may be located in any country, including emerging markets

The Fund may invest up to a combined maximum of 20% of the Fund's Net Asset Value in the following:

- below investment grade corporate bonds (including unrated corporate bonds which have not been determined to be investment grade by the Investment Manager)
- Government bonds and public securities.
- Asset-backed securities.
- Contingent convertible debt securities (capped at 10% of the Fund's Net Asset Value).
- cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash.

Within this combined maximum of 20%, any investment made by the Fund must have, at the time of purchase, a minimum credit rating of B- (or equivalent) from either at least one rating agency or the Investment Manager ("Minimum Credit Rating").

In the event that a debt security's or an issuer's credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund. The Fund may hold up to 3% Net Asset Value in investments downgraded below the Minimum Credit Rating. If the 3% limit is exceeded, then any investment below the Minimum Credit Rating that has not been upgraded within a six-month period, will be sold.

The Fund invests in investments that meet the ESG Criteria, applying an Exclusionary Approach, in addition to its sustainable investment strategy used in pursuit of the sustainable investment objective, as described in the precontractual annex to this Fund Supplement.

The Fund may invest in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its

Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchange traded futures, options, credit default swaps, total return swaps, interest rate swaps.

Investment Strategy

Investment Approach

The Fund is a broad portfolio of global bonds, investing over the long term in companies that seek to deliver solutions to some of the world's major social and/or environmental challenges and in Use-of-Proceeds bonds, bonds issued specifically to finance environmental or social projects.

To be eligible for investment, the Investment Manager only selects global bonds that positively contribute to at least one of six solution areas as explained in the precontractual annex.

The Fund is globally diversified by investing in a range of issuers, sectors and geographies. The Investment Manager applies an investment approach which seeks to take advantage of fundamental and relative value opportunities. Investment returns will primarily be driven by individual credit selection. An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund. This assessment involves understanding the risks specific to each issuer, which enables the Investment Manager to make a judgement on the value of the bond and whether it is mis-priced.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / Sustainable.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 9 fund under SFDR, and information about its sustainable investment is described in the precontractual annex to this Fund Supplement.

Benchmark

Bloomberg Global Corporate Green Social Sustainability Bond Index (EUR-hedged).

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 financial objective.

The Fund is actively managed and within given constraints. 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, and as a result the Fund's performance may deviate materially from the benchmark.

The benchmark is shown in the share class currency.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors who have sustainability preferences and are seeking a combination of capital growth and income from a portfolio that invests in a range of global bonds that support environmental and/or social goals.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Investment Adviser	responsAbility Investments AG
Reference Currency	EUR
Currency Hedged Share Classes	Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Calculation of Global Exposure	<p>Relative VaR</p> <p>The global exposure relating to this Fund will be calculated using a relative VaR approach benchmarked against the Bloomberg Global Corporate Green Social Sustainability Bond Index (EUR-hedged).</p>
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 250% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Distribution Policy	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.
Main Risks	<p>The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.</p> <ul style="list-style-type: none"> • Capital & income will vary • Credit • Interest rate • Currency & exchange rate • Emerging markets • China • Securitised bonds • Contingent convertible debt securities • Derivative instruments • Exposure greater than net asset value • Short Sales • Liquidity • Counterparty • ESG data • Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	0.40%	4.00%	-	-	-	0.05%	0.15%
B	1.75%	-	-	-	-	0.05%	0.15%
C	0.15%	1.25%	-	-	-	0.05%	0.15%
CI	0.15%	1.25%	-	-	-	0.01%	0.15%
J	0.15%	1.25%	-	-	-	0.05%	0.15%
JI	0.15%	-	-	-	-	0.01%	0.15%
L	Up to 0.05%	1.25%	-	-	-	0.05%	0.15%
LI	Up to 0.05%	1.25%	-	-	-	0.01%	0.15%
X	1.25%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) responsAbility Sustainable Solutions Bond Fund
Legal Entity Identifier: 254900JKCO00UZ0A2X81

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ Yes

☐ No

☒ It will make a minimum of **sustainable investments with an environmental objective: 5%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It will make a minimum of **sustainable investments with a social objective: 5%**

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What is the sustainable investment objective of this financial product?

To contribute to a sustainable economy by investing in global bonds supporting environmental and/or social goals.

• What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

Fund level sustainability indicators:

- Percentage (%) of NAV invested in each of the solution areas*, with the allocation to each as determined by the Investment Manager using appropriate metrics.
- Percentage (%) of NAV invested in use of proceeds bonds that correspond to the solution areas.
- Percentage (%) of NAV invested in sustainable solution providers
- Percentage (%) of NAV contributing towards any of the 17 United Nations Sustainable Development Goals ("SDGs"), which include a range of environmental and social objectives.
- Percentage (%) of NAV contributing towards any of the 17 United Nations SDGs in aggregate

* The Fund's solution areas are as follows: better health; better work and education; social inclusion; climate action; environmental; and circular economy solutions.

Additional security level sustainability indicators:

The Investment Manager assesses the securities purchased by the Fund for their contribution to the SDGs and the Fund's six solution areas (both of which are reported as Fund level sustainability indicators as shown above) as well as performing further assessment of their contribution to the sustainable investment objective.

The nature of the Fund's investment strategy is such that individual companies may contribute in different ways which do not readily aggregate for periodic reporting. Accordingly, the Investment Manager may choose to report on case studies and other sample reporting in addition to the core Fund level key sustainability indicators described above.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful.
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment.

● **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

● **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, For sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

To be eligible for investment, the Investment Manager only selects global bonds in the Investment Manager's opinion positively contribute to at least one of six solution areas:

- better health solutions
- better work and education solutions
- social inclusion solutions
- climate action solutions
- environmental solutions
- circular economy solutions

Such bonds will either be issued by companies that positively contribute to these solution areas ("sustainable solution providers") or will be use of proceeds bonds* issued specifically to finance environmental or social projects

that correspond to the solution areas.

* use of proceeds bonds are bonds where the monies raised can only be used for a stated purpose.

- **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's asset allocation, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Please note that the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is non-binding where the reason for holding less than such minimum is because Taxonomy-aligned investments are held instead (as all such investments are sustainable investments with environmental objectives).

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates data driven quantitative good governance tests used to consider investments into companies. The Investment Manager excludes investments in securities that are considered as failing the Investment Manager's good governance tests. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



Asset allocation describes the share of investments in specific assets.

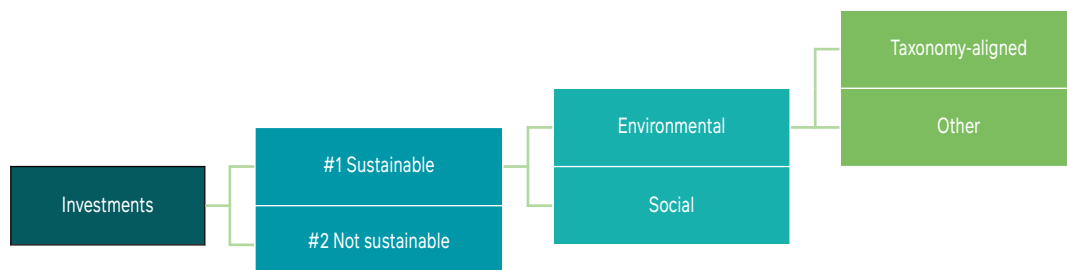
- **What is the asset allocation and the minimum share of sustainable investments?**

The Investment Manager expects at least 80% of the Fund to be invested in sustainable investments, in pursuit of the sustainable investment objective. The Fund is not required to favour any specific type of sustainable investment, and may invest in assets supporting any environmental and/or social goal.

The Fund will invest at least 5% in sustainable investments with a social objective and at least 5% in sustainable investments with an environmental objective that are not aligned to the EU Taxonomy. Subject to those minima, the Fund may flexibly allocate between the different types of sustainable investments based on availability and attractiveness of investment opportunities, whilst keeping the aggregate allocation to sustainable investments with environmental and/or social objectives to a minimum of 80%.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

- **How does the use of derivatives attain the sustainable investment objective?**

Derivatives are only considered to contribute to the sustainable investment objective where such contribution can be evidenced:

1. Where a derivative represents exposure to a single name, it must be a sustainable investment that contributes to the Fund's sustainable investment objective.
2. Where a derivative represents exposure to a diversified financial index, the index's contribution to the sustainable investment objective must be evidenced. For example, the index rules may cause it to operate to deliver certain characteristics that are considered to positively contribute to the sustainable investment objective.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

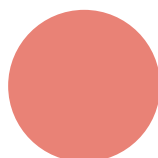
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

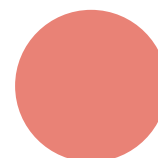
1. Taxonomy-alignment of investments including sovereign bonds*

☐ Taxonomy aligned: Fossil gas (0%)
☐ Taxonomy aligned: Nuclear (0%)
☐ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
☒ Non Taxonomy aligned (100%)



2. Taxonomy-alignment of investments excluding sovereign bonds*

☐ Taxonomy aligned: Fossil gas (0%)
☐ Taxonomy aligned: Nuclear (0%)
☐ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
☒ Non Taxonomy aligned (100%)



This graph represents X% of the total investments.**

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

 are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%



- **What is the minimum share of sustainable investments with a social objective?**
5%



- **What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for hedging purposes or in connection with cash held for ancillary liquidity and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

It is also possible that the Fund may hold investments that are not in line with the sustainable investment objective, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



- **Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

No

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



- **Where can I find more product specific information online?**
More product-specific information can be found on the website:
www.mandg.com/country-specific-fund-literature

M&G (Lux) US Corporate Bond Fund

Launch Date	19 March 2024
Investment Objective	The Fund aims to provide a higher total return (capital growth plus income) than that of the US investment grade corporate bond market over any five-year period while applying ESG criteria.
Investment Policy	<p>The Fund invests at least 70% of its Net Asset Value in corporate bonds denominated in US Dollar (USD). The Fund aims to hedge any non-USD assets to USD and issuers of these securities may be located in any country, including emerging markets.</p> <p>The Fund may invest up to a combined maximum of 30% of its Net Asset Value in below investment grade and unrated securities. There are no credit quality restrictions with respect to the high yield debt securities in which the Fund may invest.</p> <p>The Fund may also invest in government and public securities.</p> <p>The Fund may hold up to 20% of its Net Asset Value in contingent convertible debt securities and up to 20% of its Net Asset Value in asset-backed securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>The Fund will typically invest directly. The Fund may also invest indirectly via derivative instruments to take both long and short positions to meet the Fund's investment objective, for efficient portfolio management and for the purpose of hedging. These instruments may include, but are not limited to spot and forward contracts, exchange traded futures, Options, credit default swaps(CDS), interest rate swaps, total return swaps and credit linked notes (CLNs).</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 30% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p>
Investment Strategy	<p>Investment Approach</p> <p>The Sub-Investment Manager believes that bond returns are driven by a combination of macroeconomic, asset, sector, geographic and stock-level factors. The Sub-Investment Manager applies a flexible investment approach, seeking to take advantage of relative value opportunities.</p> <p>The Fund is diversified by investing in a range of issuers, sectors and geographies. An in-house team of credit analysts assists the Sub-Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.</p> <p>In the event that a debt security's or an issuer's credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific</p>

relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation **The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.**

Benchmark

ICE BofA US Corporate Index

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 Sub-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 shown in the Share Class currency. In case of Currency Hedged Share Classes, the benchmark may be a currency hedged version of the benchmark. For all Share Classes, the relevant benchmark used for comparison purposes will be shown in the KID.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to gain a combination of capital growth and income, from a portfolio of corporate bonds denominated in USD and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Sub-Investment Manager

M&G Investments (USA) Inc.

Reference Currency

USD

Currency Hedged Share Class

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Calculation of Global Exposure

Relative VaR

The global exposure relating to this Fund will be calculated using a relative VaR approach benchmarked against the ICE BofA US Corporate Index.

Leverage

The Fund's expected average level of leverage under normal market conditions is 300% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.

The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Emerging markets
- Liquidity
- Counterparty
- Securitised bonds
- Contingent convertible debt securities
- Derivative instruments
- Exposure greater than net asset value
- Currency & exchange rate
- Short sales
- ESG Data
- Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	0.40%	3.25%	-	-	-	0.05%	0.15%
C	0.15%	1.25%	-	-	-	0.05%	0.15%
CI	0.15%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.15%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.15%	1.25%	-	-	-	0.01%	0.15%
L	0.05%	1.25%	-	-	-	0.05%	0.15%
LI	0.05%	1.25%	-	-	-	0.01%	0.15%
X	0.40%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) US Corporate Bond Fund
Legal Entity Identifier: 254900V2TFULR3C7HN68

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section ""What is the asset allocation planned for this financial product?""; and
- Minimum levels of sustainable investments, as set out in the section ""What is the asset allocation planned for this financial product?""

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

0%

- **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



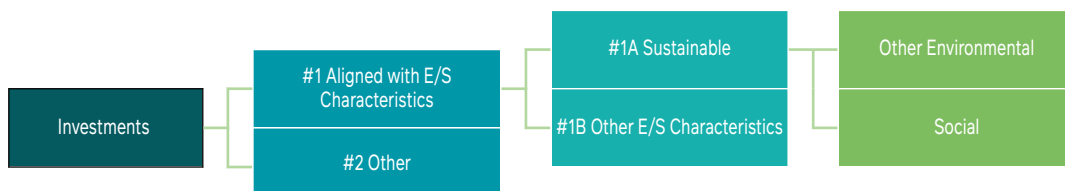
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

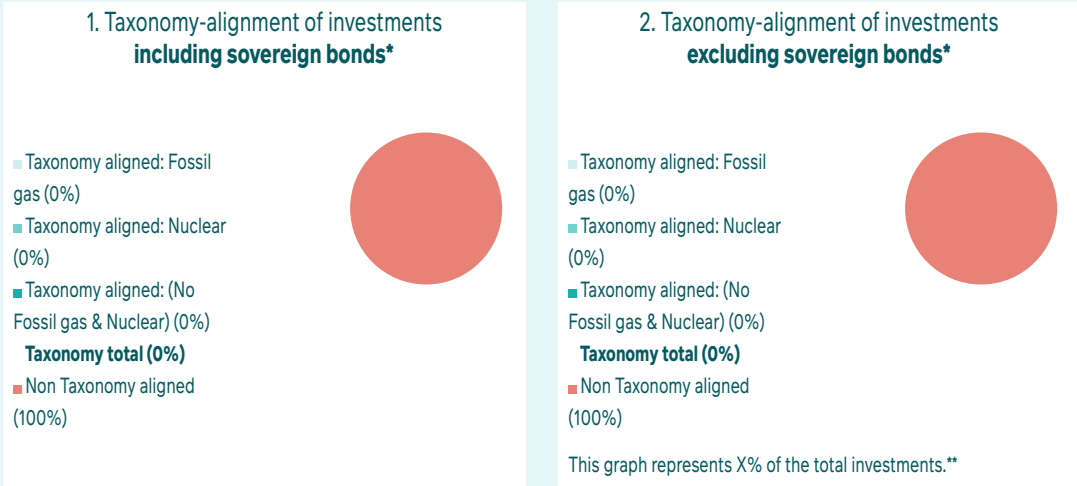
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

-  **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

-  **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) US High Yield Bond Fund

Launch Date	21 March 2024
Investment Objective	The Fund aims to provide a higher total return (capital growth plus income) than that of the US high yield corporate bond market over any five-year period while applying ESG criteria.
Investment Policy	<p>The Fund invests at least 80% of its Net Asset Value in high yield corporate bonds denominated in US Dollar (USD). The Fund aims to hedge any non-USD assets to USD and issuers of these securities may be located in any country, including emerging markets. There are no credit quality restrictions applicable to the investments and the Fund may invest up to a combined maximum of 100% of its Net Asset Value in high yield or unrated securities.</p> <p>The Fund may also invest in investment grade corporate bonds, government and public securities.</p> <p>The Fund may hold up to 20% of its Net Asset Value in contingent convertible debt securities, up to 20% of its Net Asset Value in asset-backed securities and up to 10% of its Net Asset Value in distressed debt securities and defaulted debt securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>The Fund will typically invest directly. The Fund may also invest indirectly via derivative instruments to take both long and short positions to meet the Fund's investment objective, for efficient portfolio management and for the purpose of hedging. These instruments may include, but are not limited to spot and forward contracts, exchange traded futures, credit default swaps, interest rate swaps and total return swaps.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p>
Investment Strategy	<p>Investment Approach</p> <p>The Fund focuses on high yield corporate bonds, which typically pay higher rates of interest to compensate investors for the greater risk of default. The Sub-Investment Manager will seek to provide exposure to a broad range of issuers across a variety of industrial sectors.</p> <p>The Sub-Investment Manager has the flexibility to adjust the Fund's credit exposure, sector positioning and regional allocations depending on the assessment of current market valuations and the macroeconomic environment, including the likely path of economic growth, inflation and interest rates.</p> <p>Individual credit selection is carried out in conjunction with the in-house team of credit analysts, which provides bottom-up analysis of the corporate bond markets to complement the Investment Manager's views.</p>

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation **The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.**

Benchmark ICE BofA US High Yield Constrained Index

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 Sub-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 shown in the Share Class currency. In case of Currency Hedged Share Classes, the benchmark may be a currency hedged version of the benchmark. For all Share Classes, the relevant benchmark used for comparison purposes will be shown in the KID.

Profile of Typical Investor The Fund is designed for retail and Institutional Investors seeking to gain a combination of capital growth and income, while generating a high level of income, from a portfolio of predominantly higher yielding corporate debt (or derivatives giving such exposure) and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

Sub-Investment Manager M&G Investments (USA) Inc.

Reference Currency USD

Currency Hedged Share Class Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Calculation of Global Exposure Relative VaR
The global exposure relating to this Fund will be calculated using a relative VaR approach benchmarked against the ICE BofA US High Yield Constrained Index.

Leverage

The Fund's expected average level of leverage under normal market conditions is 300% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.

The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Emerging markets
- Liquidity
- Counterparty
- Securitised bonds
- Contingent convertible debt securities
- Derivative instruments
- Exposure greater than net asset value
- Currency & exchange rate
- Short sales
- ESG Data
- Investments exclusions
- Distressed and defaulted debt securities

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.00%	4.00%	-	-	-	0.05%	0.15%
C	0.40%	1.25%	-	-	-	0.05%	0.15%
CI	0.40%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.40%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.40%	1.25%	-	-	-	0.01%	0.15%
L	0.15%	1.25%	-	-	-	0.05%	0.15%
LI	0.15%	1.25%	-	-	-	0.01%	0.15%
X	1.00%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) US High Yield Bond Fund
Legal Entity Identifier: 254900SHYE2Q055Q4Z34

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

● ● ☐ Yes

● ● ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment

● What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



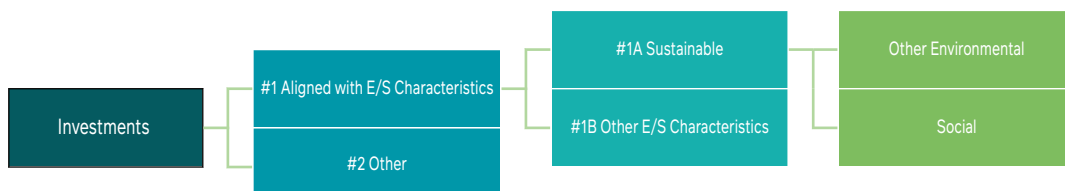
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

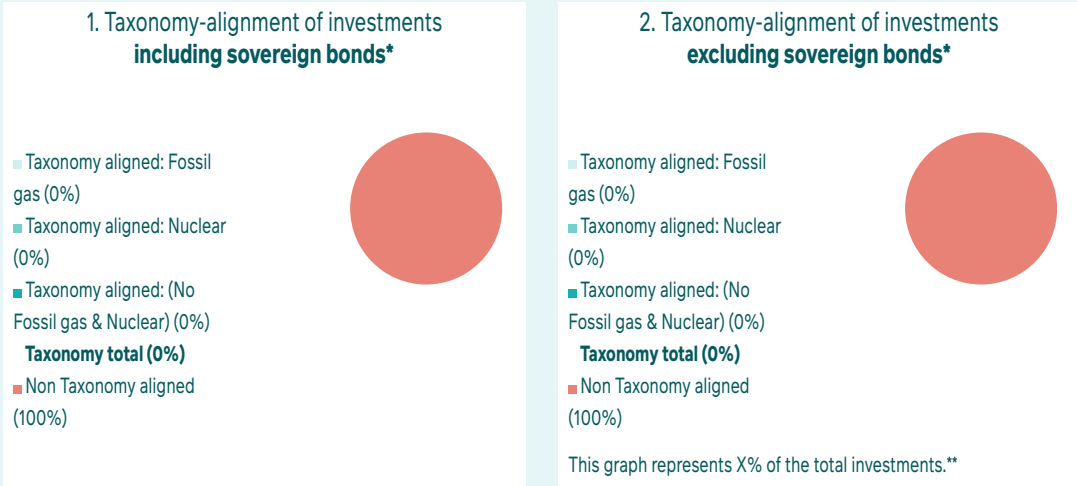
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

-  **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

-  **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

Multi Asset Funds

M&G (Lux) Dynamic Allocation Fund

Launch Date 16 January 2018

Investment Objective The Fund aims to deliver a positive total return (the combination of income and capital growth) of 5-10% per annum in any three-year period, through investment in a range of global assets while applying ESG Criteria.

Investment Policy The Fund has a highly flexible investment approach with the freedom to invest in different types of assets issued anywhere in the world and denominated in any currency.

The Fund will normally invest within the following net allocation ranges: 0-80% in fixed income, 20-60% in equity securities and equity-related instruments and 0-20% in 'other' assets.

The Fund will typically use derivatives to gain exposure to these assets. The Fund may also use derivatives to take short positions (holding derivatives with the aim of delivering a positive return when the assets they are linked to fall in value) and to gain exposure to investments exceeding the Net Asset Value of the Fund in order to increase potential returns in both rising and falling markets. Derivatives can be used to meet the Fund's investment objective, for hedging purposes, and for efficient portfolio management. The derivative instruments that the Fund can invest in to achieve its objectives include, but are not limited to, spot and forward contracts, exchange traded futures, swaps, credit default swaps, options, and total return swaps.

The Investment Manager will normally seek to hold more than 30% of the Fund's Net Asset Value in euro denominated assets (or other currencies hedged back to euro). Additionally, the Investment Manager will seek to hold a minimum of 60% of the Fund's Net Asset Value in a combination of USD, sterling and euro denominated assets (these can be direct or hedged positions).

Fixed income instruments that the fund may invest in include the following:

- derivatives whose value is derived from bonds, interest rates or credit risk;
- bonds issued or guaranteed by companies, governments, local authorities, government agencies or certain public international bodies;
- bonds from issuers located in emerging markets;
- Chinese onshore bonds denominated in CNY traded on the China Interbank Bond Market;
- bonds which are rated investment grade by a recognised rating agency;
- unrated bonds and bonds which are rated sub-investment grade, up to 60% of the Fund's Net Asset Value;
- Asset-backed securities, up to 20% of the Fund's Net Asset Value; and
- Cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash.

Equity securities and equity-related instruments that the Fund may invest in include (a) derivatives whose value is derived from company shares and (b) direct company shares. The Fund may invest in China A Shares via the QFI status granted to the Investment Manager.

Other assets, for this purpose, include other transferable securities that do not constitute fixed income or equity instruments, convertible bonds and contingent convertible debt securities. Contingent convertible debt securities are subject to a maximum of 5% of the

Fund's Net Asset Value. Also included in 'other assets', mostly to provide a relatively uncorrelated source of returns to the Fund, are shares in closed-ended real estate investment trusts or investments in companies acting in real estate and/or infrastructure sector.

The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

Investment Strategy

Investment Approach

The Investment Manager has a very flexible top-down approach to the allocation of capital between different types of assets in response to changes in economic conditions and asset values. This approach combines in-depth research to work out the value of assets over the medium to long term, with analysis of market reactions to events to identify investment opportunities. In particular, the manager seeks to respond when asset prices move away from a reasonable sense of 'fair' long-term value due to market reactions to events.

The Fund seeks to manage risk by investing globally across multiple asset classes, sectors, currencies and countries. Where the Investment Manager believes opportunities are limited to a few areas, the portfolio may be very concentrated in certain assets or markets. The Fund will typically take investment positions at index or sector level, but it may also take positions in individual shares or bonds.

The Investment Manager believes that this approach has the potential to deliver an annualised volatility (the degree to which the value of the Fund fluctuates over any 12-month period) of between 5% and 12%.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

The Fund is actively managed and it has no benchmark.

Investors can assess the performance of the Fund by its objective to provide a total return of 5-10% per annum over any three-year period.

Profile of Typical Investor

Typical investors may be retail, professional or Institutional Investors who are looking for total return (the combination of income and capital growth) but can bear the economic risk of the loss of their investment in the Fund and who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least three years.

Reference Currency	EUR
Currency Hedged Share Classes	Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Calculation of Global Exposure	Absolute VaR
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 250% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Distribution Policy	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.
Main Risks	<p>The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.</p> <ul style="list-style-type: none"> • Capital & income will vary • Derivative instruments • Exposure greater than net asset value • Short sales • Credit • Currency & exchange rate • Liquidity • Counterparty • Securitised Bonds • Contingent convertible debt securities • Emerging markets • China • ESG data • Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.75%	4.00%	-	-	-	0.05%	0.15%
B	2.25%	-	-	-	-	0.05%	0.15%
C	0.75%	1.25%	-	-	-	0.05%	0.15%
CI	0.75%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.75%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.75%	-	-	-	-	0.01%	0.15%
X	1.75%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Dynamic Allocation Fund
Legal Entity Identifier: 549300PZ80BI5Q8OS924

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐

Yes

☒ ☐ ☒

No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager’s proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager’s ESG quality threshold (“Exclusionary Approach”). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund’s exclusions, please refer to the Fund’s website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund’s promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**
The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:
 - Exclusionary approach: Percentage (%) of NAV held in excluded investments
 - Exclusionary approach: Percentage (%) of ABS below the Investment Manager’s threshold for alignment

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify investments for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager allocates capital between different types of assets in accordance with the process explained above. Within each asset class the Investment Manager performs further analysis, including consideration of ESG Factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of equities issued by large capitalisation companies in developed countries; debt securities, money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries;
- 75% of equities issued by large capitalisation companies in emerging market countries; equities issued by small and mid-capitalisation companies in any country; debt securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging market countries.

• What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

• What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

• What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



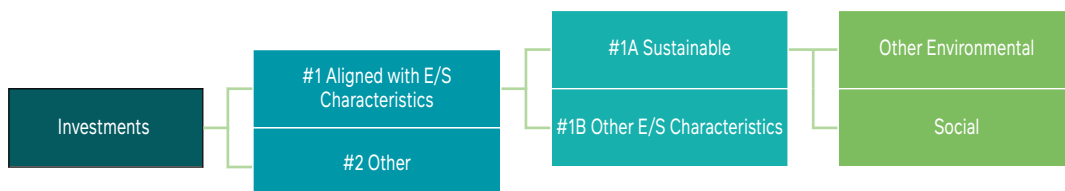
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

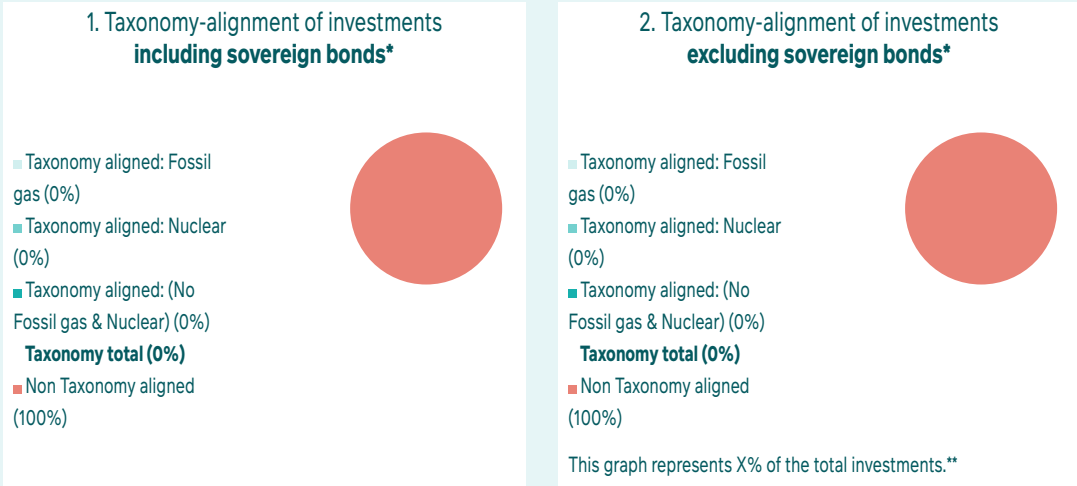
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

-  **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

-  **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Episode Macro Fund

Launch Date 26 October 2018

Investment Objective The Fund aims to achieve a total return (the combination of capital growth and income) of 4-8% a year above the Secured Overnight Financing Rate (SOFR), over any five-year period.

Investment Policy The Fund has a highly flexible investment approach, with the freedom to invest in fixed income securities, equity securities and equity-related instruments (including closed-ended real estate investment trusts), convertible bonds, asset-backed securities, currencies, cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. These assets can be issued anywhere in the world, including emerging markets, and denominated in any currency.

The Fund will mostly gain exposure to these assets by taking investment positions at index or sector level through derivative instruments, but it may also invest directly. The Fund may also use derivative instruments to take long and short positions in markets, currencies, securities, and groups of securities and to gain exposure to investments exceeding the Net Asset Value of the Fund in order to increase potential returns in both rising and falling markets. This may result in a net long or net short position at the overall fund level.

The Fund may invest up to a combined maximum of 60% of its Net Asset Value in below investment grade and unrated debt securities. There are no credit quality restrictions with respect to the debt securities in which the Fund may invest.

The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

The Fund may invest in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.

The Fund may invest up to 20% of its Net Asset Value in contingent convertible debt securities and up to 20% of its Net Asset Value in asset-backed securities.

The Investment Manager seeks to allocate capital between different types of assets in response to investment opportunities created by changes in economic conditions and the valuation of assets. Asset allocation may change significantly and rapidly, and exposure to certain markets, sectors or currencies may at times be concentrated. Short-term volatility of the Fund may therefore be high.

Derivative instruments can be used to meet the Fund's investment objective, for efficient portfolio management and for the purpose of hedging. These instruments may include, but are not limited to, spot and forward contracts, exchange traded futures, options, currency swaps, credit default swaps, interest rate swaps, credit linked notes and total return swaps.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

Investment Strategy**Investment Approach**

The Investment Manager adopts a highly flexible top-down approach to the allocation of capital between different types of assets, in response to changes in economic conditions and the valuation of assets, guided by a robust valuation framework.

This approach combines in-depth research to determine the value of assets over the medium to long term, with analysis of market reactions to events to identify investment opportunities. In particular, the Investment Manager seeks to respond to opportunities created by asset prices moving away from a reasonable sense of 'fair' value due to market reaction to events.

Whilst short-term volatility in the Fund may be high, the Investment Manager expects that this approach over five years should lead to a lower volatility than that of global equities (as represented by the MSCI ACWI Index).

The Investment Manager seeks to meet the investment objective through generating returns above the Fund's neutral position of cash. If all asset classes appear neutrally priced, and there are no episodic opportunities, the Fund is likely to hold significant cash positions, as reflected by the benchmark.

Responsible Investment Approach

The Fund is categorised as ESG Integrated.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation**SFDR**

The Fund is categorised as an Article 6 fund under SFDR. This Fund does not promote environmental or social characteristics, therefore, the Investment Manager does not systematically consider the adverse impacts of its investment decisions on Sustainability Factors. The Fund does consider sustainability risks and their impacts as detailed in the section "Sustainability Risks".

Taxonomy Regulation

The Fund's underlying investments do not take into account the EU criteria for environmentally sustainable economic activities.

Benchmark

SOFR + 4-8%

The benchmark is a target which the Fund seeks to achieve. The rate has been chosen as the Fund's benchmark as it is an achievable performance target and best reflects the scope of the Fund's investment policy. The benchmark is used solely to measure the Fund's performance objective and does not constrain the Fund's portfolio construction.

The Fund is actively managed. The Investment Manager has complete freedom in choosing which assets to buy, hold and sell in the Fund.

The benchmark is shown in the Share Class currency as set out in the table below.

Share Class	Performance Comparator
CHF / CHF Hedged	SARON + 4-8%
EUR / EUR Hedged	ESTR + 4-8%
GBP / GBP Hedged	SONIA + 4-8%

JPY / JPY Hedged	TONA + 4-8%
SGD / SGD Hedged	SORA + 4-8%

The benchmark used in the investment objective and as the Fund's performance comparator is consistent with the cash indices used as the Performance Fee Hurdle Rates per currency. As it is not possible to translate SOFR into different currency variations, the appropriate cash index has been selected as a cash index for performance comparators and Hurdle Rates for each Share Class Currency. The cash indices used as performance comparators / Performance Fee Hurdle Rates will not exactly equal SOFR, but aim to provide the most relevant cash index for each Share Class Currency and provide a reflection of the investment return versus a relevant cash proxy for investors based on the relevant Share Class Currency.

Profile of Typical Investor

Typical investors may be retail, professional or Institutional Investors who are likely to be experienced and are looking for capital growth but can bear the economic risk of the loss of their investment in the Fund.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least five years.

The Performance Fee Share Classes of the Fund are not suitable for retail execution only investors.

Reference Currency

USD

Currency Hedged Share Classes

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Calculation of Global Exposure

Absolute VaR

Leverage

The Fund's expected average level of leverage under normal market conditions is 350% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.

The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Derivative instruments
- Exposure greater than net asset value
- Short sales
- Emerging markets
- China
- Securitised bonds

- Contingent convertible debt securities
- Liquidity
- Counterparty
- Performance Fee Share Class

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
B	2.25%	-	-	-	-	0.05%	0.15%
C	Up to 1.35%	1.25%	-	-	-	0.05%	0.15%
S	1.75%	4.00%	-	-	-	0.05%	0.15%
SI	1.75%	1.25%	-	-	-	0.01%	0.15%
T	0.75%	1.25%	-	-	-	0.05%	0.15%
TI	0.75%	1.25%	-	-	-	0.01%	0.15%
X	1.75%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Performance Fee

A Performance Fee will be charged on T and TI Share Classes.

Please refer to the table below for the benchmarks used in the Performance Fee calculation.

The initial Hurdle for each relevant Share Class will be its Net Asset Value per Share calculated as at the launch date of the Share Class adjusted by one-365th of the previous day's Hurdle Rate or it will be the relevant Share Classes' High Water Mark adjusted by one-365th of the previous day's Hurdle Rate, whichever is the greater.

Investors should refer to Appendix 2 for further information on the calculation methodology of Performance Fees and read "Performance Fee Share Class risk" information in the section "Risk Factors".

Applicable Share Classes	Performance Fee	Mechanism	Performance Fee Hurdle Rate
USD	20%	High Water Mark	SOFR
CHF / CHF Hedged	20%	High Water Mark	SARON
EUR / EUR Hedged	20%	High Water Mark	ESTR
GBP / GBP Hedged	20%	High Water Mark	SONIA
JPY / JPY Hedged	20%	High Water Mark	TONA
SGD / SGD Hedged	20%	High Water Mark	SORA

The Performance Fee Hurdle Rates selected above are appropriate, as the Investment Manager seeks to meet the Fund's investment objective through generating returns above the Fund's neutral position of cash.

Performance fees start accruing on a net of fees' basis when the Net Asset Value per Share is above the Hurdle Rate and the High Water Mark, that is before the Fund's investment objective is met.

M&G (Lux) Global Target Return Fund

Launch Date 21 December 2016

Investment Objective The Fund aims to achieve a total return (the combination of income and capital growth) of at least cash* plus 2-4% a year, before any charges** are taken, in any market conditions and over any three-year period.

The Fund aims to achieve this while seeking to minimise the degree to which the value of the Fund fluctuates over time (volatility), while also seeking to limit monthly losses. Managing the Fund's volatility in this way reduces its ability to achieve returns significantly above 3-month Euribor plus 2-4% a year.

* As based on 3-month Euribor, the rate at which banks borrow money from each other.

** Investors should refer to the section "Fees and Expenses".

Investment Policy The Fund has a highly flexible investment approach with the freedom to invest in different types of investment assets issued anywhere in the world.

The Fund will primarily invest in the following asset classes: bonds, equity securities and equity-related instruments, currencies, cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. The Fund will mostly gain exposure to these assets by investing through derivative instruments, but may also invest directly.

In cases where the Investment Manager believes that investment opportunities are limited to a few areas, or where the available investment opportunities would add too much risk to the Fund, the Fund may temporarily hold high levels of cash.

The Fund may take short positions (holding derivative instruments with the aim of delivering a positive return when the assets they are linked to fall in value) in markets, currencies, securities, indices and other groups of securities. The Fund also has the flexibility to gain exposure to investments exceeding the Net Asset Value of the Fund in order to increase potential returns in both rising and falling markets.

Derivative instruments can be used to meet the Fund's investment objective and for efficient portfolio management. The derivative instruments that the Fund may invest in include spot and forward contracts, exchange traded futures, swaps, credit default swaps, options and total return swaps.

The bonds that the Fund may invest in include the following:

bonds issued or guaranteed by companies, governments, local authorities, government agencies or certain public international bodies, convertible bonds, bonds from issuers located in emerging markets;

Chinese onshore bonds denominated in CNY traded on the China Interbank Bond Market; bonds which are rated above investment grade by a recognised rating agency; and sub-investment grade bonds and unrated bonds, up to 60% of the Fund's Net Asset Value.

The Fund may invest up to 10% of its Net Asset value in asset-backed securities and up to 20% of its Net Asset value in contingent convertible debt securities.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

Investment Strategy

Investment Approach

The Investment Manager has a very flexible top-down approach to the allocation of capital between different types of assets in response to changes in economic conditions and asset values. This approach combines in-depth research to work out the value of assets over the medium to long term, with analysis of market reactions to events to identify investment opportunities. In particular, the manager seeks to respond when asset prices move away from a reasonable sense of 'fair' long-term value due to market reactions to events.

The blend of assets held in the Fund is regularly adjusted depending on where the Investment Manager sees the most value and to manage risks in order to limit losses. The Investment Manager will seek to manage risk by investing globally across multiple asset classes, sectors, currencies and countries and by combining diversified and relatively uncorrelated assets (which are assets affected by market conditions in different ways). The Investment Manager will also employ derivative instrument strategies to help protect or profit from falling markets.

The Fund will typically take investment positions at index, or sector level, or invest in a basket of assets to exploit certain investment themes (for example shares in companies with exposure to a certain country or region) but it may also take positions in individual shares or bonds.

The Investment Manager believes that this approach has the potential to limit monthly losses to less than 3% in normal to stressed times and less than 6% in highly stressed times. The Investment Manager believes the fund has the potential to deliver an annualised volatility (the degree to which the value of the Fund fluctuates over any 12-month period) of between 3% and 7%.

Responsible Investment Approach

The Fund is categorised as ESG Integrated.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

SFDR

The Fund is categorised as an Article 6 fund under SFDR. This Fund does not promote environmental or social characteristics, therefore, the Investment Manager does not systematically consider the adverse impacts of its investment decisions on Sustainability Factors. The Fund does consider sustainability risks and their impacts as detailed in the section "Sustainability Risks".

Taxonomy Regulation

The Fund's underlying investments do not take into account the EU criteria for environmentally sustainable economic activities.

Benchmark

3-month Euribor + 2-4%

The benchmark is a target which the Fund seeks to achieve. The rate has been chosen as the Fund's benchmark as it is an achievable performance target based on the Fund's investment

approach. The benchmark is used solely to measure the Fund's performance objective and does not constrain the Fund's portfolio construction.

The Fund is actively managed. The Investment Manager has complete freedom in choosing which assets to buy, hold and sell in the Fund.

The benchmark is shown in the Share Class currency as set out in the table below.

Share Class	Performance Comparator
CHF / CHF Hedged	SARON + 2-4%
GBP / GBP Hedged	SONIA + 2-4%
USD / USD Hedged	SOFR + 2-4%
JPY / JPY Hedged	TONA + 2-4%

Profile of Typical Investor

Typical investors may be retail, professional or Institutional Investors who can bear the economic risk of the loss of their investment in the Fund and who are willing to accept capital and income risk.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund is designed for investors who have an investment time horizon of at least three years.

Reference Currency

EUR

Currency Hedged Share Classes

Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Calculation of Global Exposure

Absolute VaR

Leverage

The Fund's expected average level of leverage under normal market conditions is 350% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.

The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Derivative instruments
- Exposure greater than net asset value
- Short sales
- Currency & exchange rate
- Liquidity
- Counterparty

- Emerging markets
- China
- Securitised bonds
- Contingent convertible debt securities

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.25%	1.25%	-	-	-	0.05%	0.15%
B	1.75%	-	-	-	-	0.05%	0.15%
C	0.50%	1.25%	-	-	-	0.05%	0.15%
CI	0.50%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.50%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.50%	-	-	-	-	0.01%	0.15%
L	Up to 0.50%	1.25%	-	-	-	0.05%	0.15%
LI	Up to 0.50%	1.25%	-	-	-	0.01%	0.15%
X	1.25%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

M&G (Lux) Income Allocation Fund

Launch Date	16 January 2018
Investment Objective	The Fund aims to generate a growing level of income over any three-year period through investment in a range of global assets. The Fund also aims to provide capital growth of 2-4% p.a. over any three-year period while applying ESG Criteria.
Investment Policy	<p>The Fund has a highly flexible investment approach with the freedom to invest in different types of assets issued anywhere in the world and denominated in any currency.</p> <p>The Fund will normally invest within the following net allocation ranges: 40-80% in fixed income, 10-50% in equity securities and equity-related instruments and 0-20% in 'other' assets.</p> <p>The Fund will typically invest in income-generating assets from the following asset classes: fixed income securities, equity securities and equity-related instruments. The Investment Manager will normally seek to hold more than 70% of the Fund's Net Asset Value in euro denominated assets or in other currencies hedged back to euro.</p> <p>The Fund's exposure to these assets will mostly be gained directly. Derivatives can be used to meet the Fund's investment objective, for hedging purposes and for efficient portfolio management. The Fund may take synthetic short positions (holding derivative instruments with the aim of delivering a positive return when the assets they are linked to fall in value) in markets, currencies, securities, indices and other groups of securities.</p> <p>Fixed income instruments that the fund may invest in include the following:</p> <ul style="list-style-type: none"> • bonds issued or guaranteed by companies, governments, local authorities, government agencies or certain public international bodies; • bonds from issuers located in emerging markets; • Chinese onshore bonds denominated in CNY traded on the China Interbank Bond Market; • bonds which are rated investment grade by a recognised rating agency; • unrated bonds and bonds which are rated sub-investment grade, up to 40% of the Fund's Net Asset Value; • Asset-backed securities, up to 10% of the Fund's Net Asset Value; • derivatives whose value is derived from bonds, interest rates or credit risk; and • Cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. <p>Equity instruments that the Fund may invest in include (a) direct company shares and (b) derivatives whose value is derived from company shares. The Fund may invest in China A Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Exchange.</p> <p>Other assets, for this purpose, include other transferable securities that do not constitute fixed income or equity instruments, convertible bonds and contingent convertible debt securities. The Fund may invest up to 5% of its Net Asset Value in contingent convertible debt securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p>

Derivatives instruments can be used to meet the Fund's investment objective, for hedging purposes, and for efficient portfolio management. The derivative instruments that the Fund can invest in to achieve its objectives include, but are not limited to, spot and forward contracts, exchange traded futures, swaps, credit default swaps, options, and total return swaps.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

Investment Strategy

Investment Approach

The Investment Manager has a very flexible top-down approach to the allocation of capital between different types of assets in response to changes in economic conditions and asset values. This approach combines in-depth research to work out the value of assets over the medium to long term, with analysis of market reactions to events to identify investment opportunities. In particular, the manager seeks to respond when asset prices move away from a reasonable sense of 'fair' long-term value due to market reactions to events.

The Fund seeks to manage risk by investing globally across multiple asset classes, sectors, currencies and countries. Where the Investment Manager believes opportunities are limited to a few areas, the portfolio may be very concentrated in certain assets or markets. The Fund will typically take investment positions in individual shares or bonds, but it may also take positions at an index or sector level.

The Fund aims to generate a growing level of income by investing in assets that offer a regular income such as dividend-paying company shares, corporate bonds and government bonds.

The Investment Manager believes that this approach has the potential to deliver an annualised volatility (the degree to which the value of the Fund fluctuates over any 12-month period) of between 4% and 8%, and an estimated gross annual yield of 4%, based on the gross income, before withholding tax, expected to be received from the underlying investments in the Fund, as a percentage of the current Fund share price.

Investment Manager's ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

The Fund is actively managed and it has no benchmark.

Investors can assess the performance of the Fund by its objective to provide a total return of 2-4% per annum over any three-year period.

Profile of Typical Investor	<p>Typical investors may be retail, professional or Institutional Investors who are looking for income and capital growth but can bear the economic risk of the loss of their investment in the Fund and who have sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund is designed for investors who have an investment time horizon of at least three years.</p>
Reference Currency	EUR
Currency Hedged Share Classes	Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Calculation of Global Exposure	Absolute VaR
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Distribution Policy	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a monthly basis.
Main Risks	<p>The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.</p> <ul style="list-style-type: none"> • Capital & income will vary • Credit • Interest rate • Currency & exchange rate • Emerging markets • China • Securitised bonds • Contingent convertible debt securities • Derivative instruments • Short sales • Liquidity • ESG data • Investments exclusions <p>Investors should read the section "Risk Factors" for a full description of risks.</p>

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.50%	4.00%	-	-	-	0.05%	0.15%
B	2.00%	-	-	-	-	0.05%	0.15%
C	0.65%	1.25%	-	-	-	0.05%	0.15%
CI	0.65%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.65%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.65%	-	-	-	-	0.01%	0.15%
X	1.50%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the M&G website.

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Income Allocation Fund
Legal Entity Identifier: 5493009TGYUIY117XO13

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

☐

It will make a minimum of **sustainable investments with an environmental objective**:

☐

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐

It will make a minimum of **sustainable investments with a social objective**:

☒

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒

with a social objective

☐

It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager’s proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager’s ESG quality threshold (“Exclusionary Approach”). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund’s exclusions, please refer to the Fund’s website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund’s promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**
The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:
 - Exclusionary approach: Percentage (%) of NAV held in excluded investments
 - Exclusionary approach: Percentage (%) of ABS below the Investment Manager’s threshold for alignment

320.1

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify investments for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager allocates capital between different types of assets in accordance with the process explained above. Within each asset class the Investment Manager performs further analysis, including consideration of ESG Factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of equities issued by large capitalisation companies in developed countries; debt securities, money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries;
- 75% of equities issued by large capitalisation companies in emerging market countries; equities issued by small and mid-capitalisation companies in any country; debt securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging market countries.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?".

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

0%

● **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



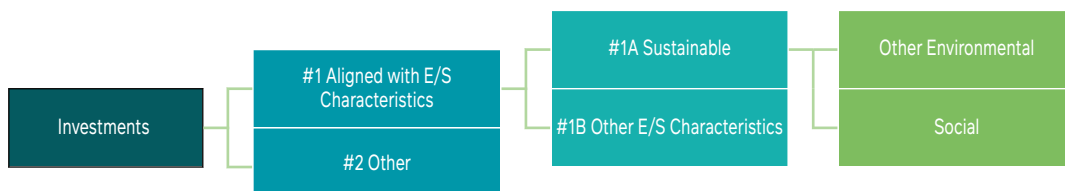
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

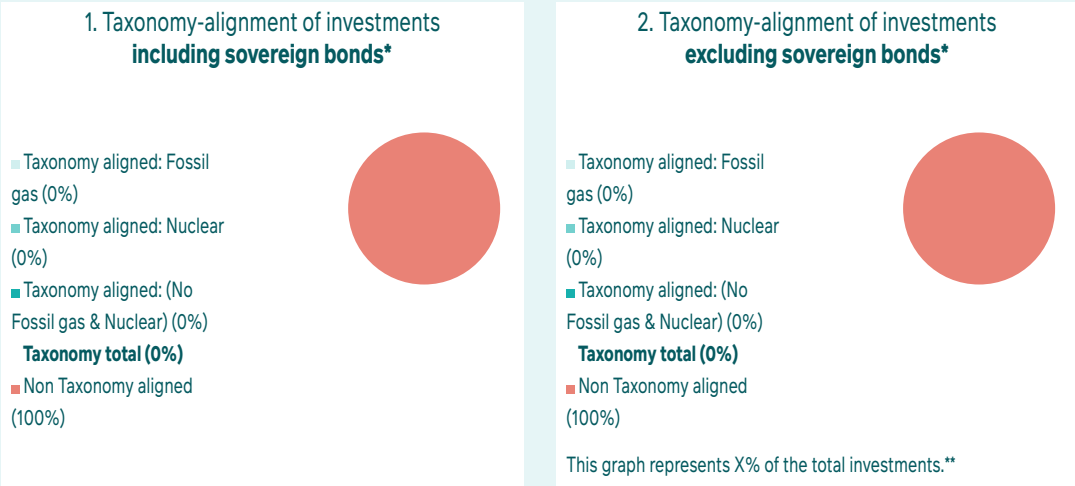
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

-  **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

-  **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Sustainable Allocation Fund

Launch Date 29 November 2018

Investment Objective The Fund has two aims:

- Financial objective: to provide a total return (capital growth plus income) of 4 to 8% per year over any five-year period.
- Sustainable objective: to contribute to a sustainable economy by investing in assets supporting environmental and/or social goals, in particular climate change mitigation.

Investment Policy

The Fund invests in a diversified range of asset classes, such as equity securities, equity-related instruments, debt securities, cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. These investments may be from anywhere in the world, including emerging markets, and denominated in any currency.

Typically, the Fund holds 20-60% of its Net Asset Value in equities and equity-related instruments, 20-80% in debt securities, and 0-20% in other assets.

The Fund's investments may include:

- up to 40% of its Net Asset Value in sub-investment grade and unrated debt securities. There are no credit quality restrictions with respect to the debt securities in which the Fund may invest.
- up to 10% of its Net Asset Value in asset-backed securities;
- up to 5% of its Net Asset Value in contingent convertible debt securities;
- China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect;
- Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.

The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive Outcome, in addition to its sustainable investment strategy used in pursuit of the sustainable investment objective, as described in the precontractual annex to this Fund Supplement.

The Fund typically invests 20-50% of its Net Asset Value in positive impact assets with a minimum of 20% and no maximum exposure.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

The Fund normally seeks to hold more than 70% of its Net Asset Value in Euro denominated assets or in other currencies hedged back to Euro.

The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchange traded futures, credit default swaps, interest rate swaps and total return swaps.

Investment Strategy	<p>Investment Approach</p> <p>The Fund's approach to sustainable investment is explained in the precontractual annex to this Fund Supplement.</p> <p>The Fund seeks to manage risk through flexible asset allocation, by investing globally in multiple asset classes, and across different sectors, currencies and countries, in response to changes in economic conditions and asset values. This approach combines research to work out the anticipated value of assets over the medium to long term, with analysis of market reactions to events, to identify investment opportunities.</p> <p>The Fund's annualised volatility is expected to be between 4% and 9%, over any five-year period.</p> <p>Investment Manager's ESG Classification</p> <p>The Fund is categorised as Planet+ / Sustainable.</p> <p>The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.</p>
EU Sustainable Finance Disclosure Regulation	<p>The Fund is categorised as an Article 9 fund under SFDR, and information about its sustainable investment is described in the precontractual annex to this Fund Supplement.</p>
Benchmark	<p>The Fund is actively managed and it has no benchmark.</p> <p>Investors can assess the performance of the Fund by its objective to provide a total return of 4-8% per annum over any five-year period.</p>
Profile of Typical Investor	<p>The Fund is designed for retail and Institutional Investors who are looking for total return (capital growth plus income) from a diversified multi asset portfolio, which deploys capital in a sustainable manner by investing in impact assets and companies and governments which uphold high standards of ESG behaviour and who have sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objectives. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund is designed for investors who have an investment time horizon of at least five years.</p>
Reference Currency	EUR
Currency Hedged Share Classes	<p>Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.</p>
Calculation of Global Exposure	Absolute VaR
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Distribution Policy	<p>If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly</p>

basis.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Liquidity
- Counterparty
- Emerging markets
- China
- Securitised bonds
- Contingent convertible debt securities
- Derivative instruments
- Short sales
- ESG data
- Investments exclusions

Investors should read the section "Risk Factors" for a full description of risks.

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.50%	4.00%	-	-	-	0.05%	0.15%
B	2.00%	-	-	-	-	0.05%	0.15%
C	0.60%	1.25%	-	-	-	0.05%	0.15%
CI	0.60%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.60%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.60%	-	-	-	-	0.01%	0.15%
L	0.35%	1.25%	-	-	-	0.05%	0.15%
LI	0.35%	-	-	-	-	0.01%	0.15%
X	1.50%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Sustainable Allocation Fund
Legal Entity Identifier: 549300G7EE7U31UKHL78

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ Yes

☐ No

☒ It will make a minimum of **sustainable investments with an environmental objective**: 30%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It will make a minimum of **sustainable investments with a social objective**: 20%

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What is the sustainable investment objective of this financial product?

To contribute to a sustainable economy by investing in assets supporting environmental and/or social goals, in particular climate change mitigation.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

• What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

Fund level sustainability indicators

The Investment Manager will report and monitor the below indicators that will apply to investments in aggregate.

a. Climate change mitigation and environmental solutions:

- Change in CO2 emissions intensity over the previous three year period (compounded annualised growth rate over last three years) (corporate and sovereigns).
- Percentage (%) of sovereigns party to the Paris Agreement (sovereigns).
- Weighted average carbon intensity (corporate).
- Percentage (%) of corporate issuers with ratified Science-Based Targets under the Science Based Target Initiative (SBTi) or an equivalent as assessed by the Investment Manager (corporate).
- Percentage (%) of corporate issuers participating in the Carbon Disclosure Project (CDP) (corporate).
- Tonnes of CO2 emissions avoided by positive impact investments (corporate and sovereigns).

b. Social

- Percentage (%) of sovereign ranked above the Social Progress Index (SPI) Global Average, which assesses how well a society provides its people with material needs, and does not have a negative 5 year trend (sovereigns)
- Number of underserved people reached including patients treated, customers served etc. by positive impact investments (corporate and sovereigns)

c. For positive impact assets:

- Percentage (%) of NAV invested in positive impact assets in the Fund

Security level sustainability indicators

At least one of the following indicators will be apply for each sustainable investment made by the Fund. The Investment Manager is not required to consider, or report on, all of the below sustainability indicators as part of

the analysis for each sustainable investment.

1. Corporate issues

a. Climate change mitigation:

- Whether the corporate has ratified Science-Based Targets under the Science Based Target Initiative (SBTi) or an equivalent as assessed by the Investment Manager
- The Issuer is assessed as having a current temperature alignment of less than or equal to 1.5°C to evidence alignment with current scientific methodologies to address climate change
- Whether the issuer is participating in the Carbon Disclosure Project (CDP)
- The issue has been assessed as having more than 20% of revenues derived from any of the climate change environment impact themes including alternative energy, energy efficiency or green building

b. Other environmental

- The issuer's ESG Environment Pillar Score is at least 7.1, as determined by MSCI
- Percentage (%) of issuer revenues assessed as relating to environmental themes in excess of 20%
- The issue is a green environmental bond as verified by alignment to Climate Bonds Initiative (CBI), International Capital Market Association (ICMA) or another appropriate standard as accepted by the Investment Manager
- The issuer is a renewable energy producer

c. Social

- The issuer's ESG Social Pillar Score is at least 7.1 (leader), as determined by MSCI
- The issuer is a signatory to the UNGC Global Compact
- The issuer's board diversity is in excess of 33%
- Percentage (%) of issuer revenues assessed as relating to social themes in excess of 20%
- Number of underserved people reached including patients treated, customers served etc.

d. United Nations Sustainable Development Goals ("SDGs") alignment:

- The Investment Manager may assess whether an investment is aligned with one or more of the 17 SDGs, using appropriate metrics to determine the strength of that alignment.

2. Sovereign issues

a. Climate change mitigation and environmental solutions:

- The sovereign's Climate Change Performance Index (CCPI) score is not "Very Low"
- The sovereign is a party to the Paris Agreement and the UN Convention on Biological Diversity

b. Other environmental

- The sovereign's ESG Environment Pillar Score being at least 7.1 (leader), as determined by MSCI
- The issue is a green environmental bond as verified by alignment to CBI, ICMA or another appropriate standard as accepted by the Investment Manager

c. Social

- The issuer's ESG Social Pillar Score being at least 7.1 (leader), as determined by MSCI
- The issue is a social bond as verified by alignment to ICMA or another appropriate standard as accepted by the Investment Manager
- The sovereign is ranked above the Social Progress Index (SPI) Global Average, which assesses how well a society provides its people with material needs, and does not have a negative 5 year trend
- The sovereign has fully ratified all of the 8 International Labour Organisation (ILO) human rights conventions

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful.
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment.

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**
The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**
All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Fund investment approach is through flexible asset allocation, implemented by investing in securities of companies or governments that uphold high standards of ESG behaviour. The Fund also maintains a core holding of investments considered to have a positive impact through addressing the world major social and environmental challenges ("Positive Impact Assets"). The Fund typically invests 20-50% of its Net Asset Value in Positive Impact Assets with a minimum of 20% and no maximum exposure.

Positive Impact Assets are assessed using the Investment Manager's impact assessment methodology ("Impact Methodology") described below.

The Impact Methodology focuses on three criteria:

- Investment Credentials: the quality and durability of the company's business model and its ability to produce sustainable economic returns;
- Intention: the company's purpose as evidenced by the alignment of its mission statement with its corporate strategy and actions; and
- Impact: the scale of the net positive societal impact and the company's progress in addressing social equality challenges.

The outputs of the Impact Methodology enable the Fund to allocate to the following three investment types:

- "Pioneers", whose products or services have or could have a transformational effect on social equality.
- "Enablers", which provide the tools for others to empower social equality.

- “Leaders”, which spearhead and mainstream sustainability in industries empowering social equality, but which may have more established profitability than pioneers.

The Investment Manager's engagement with the companies in which the Fund invests is key to the investment approach.

The Fund typically has a lower weighted average carbon intensity than the global equity market (“Positive ESG Outcome”).

Sustainability considerations, encompassing ESG factors, are fully integrated into analysis and investment decisions, and play an important role in determining the investment universe and portfolio construction.

In order to identify securities for purchase, the Investment Manager initially reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then assesses the sustainability credentials of the remaining companies:
 - a) Under the ESG Criteria of the portfolio, the Investment Manager assesses and scores the ESG credentials of the remaining securities on the basis of external ESG ratings and the Investment Manager's assessment. Lower scoring securities which are considered as ESG laggards are excluded and the Investment Manager favours issuers with better ESG characteristics.
 - b) Positive Impact Assets are assessed using the Impact Methodology.
3. From the narrowed investment universe, the Investment Manager allocates capital between different types of assets in accordance with the process explained above. Within each asset class the Investment Manager then performs further analysis to consider the valuation of these investments and the appropriate time to purchase in consideration of the Fund's financial objective.
4. The Investment Manager favours issuers with lower carbon intensity where this is not detrimental to the pursuit of the investment objective. This process typically results in a portfolio with lower carbon intensity than the global equity market. In constructing a portfolio which favours investments with lower carbon intensity, the Investment Manager may nonetheless invest in investments across the full spectrum of carbon intensity. The Fund's calculation methodology does not include those securities that do not have carbon intensity data respectively, or cash, near cash, some derivatives and some collective investment schemes.

● **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions. For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature;
- The Fund's asset allocation, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Please note that the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is non-binding where the reason for holding less than such minimum is because Taxonomy-aligned investments are held instead (as all such investments are sustainable investments with environmental objectives).

● **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager operates data driven quantitative good governance tests used to consider investments into companies. The Investment Manager excludes investments in securities that are considered as failing the Investment Manager's good governance tests. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

What is the asset allocation and the minimum share of sustainable investments?

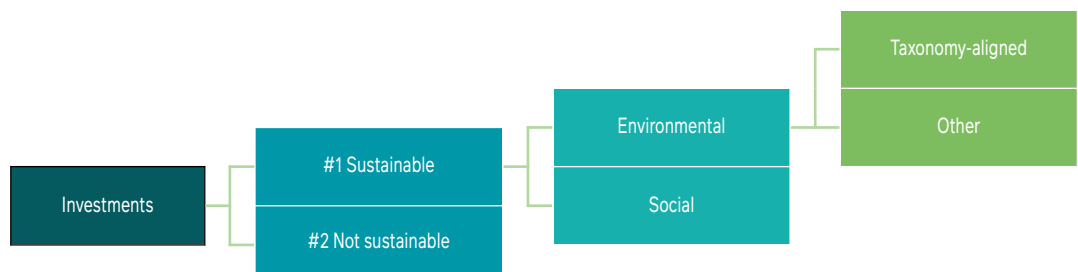
The Investment Manager expects at least 80% of the Fund to be invested in sustainable investments, in pursuit of the sustainable investment objective. The Fund is not required to favour any specific type of sustainable investment, and may invest in assets supporting any environmental and/or social goal, but will pay particular heed to climate change mitigation by using extra sustainability indicators for climate change mitigation, measuring performance on these characteristics at fund level, i.e. even where an investment has been purchased in pursuit of a social objective.

The Fund will invest at least 20% in sustainable investments with a social objective and at least 30% in sustainable investments with an environmental objective that are not aligned to the EU Taxonomy. Subject to those minima, the Fund may flexibly allocate between the different types of sustainable investments based on availability and attractiveness of investment opportunities, whilst keeping the aggregate allocation to sustainable investments with environmental and/or social objectives to a minimum of 80%.

The Fund typically invests 20-50% of its Net Asset Value in positive impact assets with a minimum of 20% and no maximum exposure.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

● How does the use of derivatives attain the sustainable investment objective?

Derivatives are only considered to contribute to the sustainable investment objective where such contribution can be evidenced:

1. Where a derivative represents exposure to a single name, it must be a sustainable investment that contributes to the Fund's sustainable investment objective.
2. Where a derivative represents exposure to a diversified financial index, the index's contribution to the sustainable investment objective must be evidenced. For example, the index rules may cause it to operate to deliver certain characteristics that are considered to positively contribute to the sustainable investment objective.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

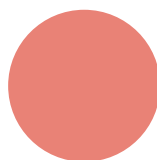
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

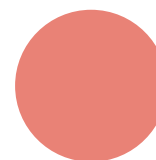
1. Taxonomy-alignment of investments including sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
 ■ Taxonomy aligned: Nuclear (0%)
 ■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
 ■ Non Taxonomy aligned (100%)



2. Taxonomy-alignment of investments excluding sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
 ■ Taxonomy aligned: Nuclear (0%)
 ■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
 ■ Non Taxonomy aligned (100%)



This graph represents X% of the total investments.**

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● **What is the minimum share of investments in transitional and enabling activities?**

0%

 are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

30%



What is the minimum share of sustainable investments with a social objective?

20%



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for hedging purposes or in connection with cash held for ancillary liquidity and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

It is also possible that the Fund may hold investments that are not in line with the sustainable investment objective, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Sustainable Multi Asset Growth Fund

Launch Date 7 December 2021

Investment Objective The Fund has two aims:

- Financial objective: to limit the average volatility to 20% per annum over any five year period while providing a total return (capital growth plus income); and
- Sustainable objective: to contribute to a sustainable economy by investing in assets supporting environmental and/or social goals, in particular climate change mitigation.

Investment Policy The Fund has the flexibility to invest in a wide range of asset classes, such as equity securities, equity-related instruments, debt securities, cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. These investments may be from anywhere in the world, including emerging markets, and denominated in any currency.

Typically, the Fund holds 55-100% of its Net Asset Value in equities and equity-related instruments, but there is no obligation on the Investment Manager to hold a particular level of equity exposure.

The Fund's investments may include:

- up to 40% of its Net Asset Value in sub-investment grade and unrated debt securities. There are no credit quality restrictions with respect to the debt securities in which the Fund may invest.
- up to 10% of its Net Asset Value in asset-backed securities;
- up to 5% of its Net Asset Value in contingent convertible debt securities;
- China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect;
- Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.

The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive Outcome, in addition to its sustainable investment strategy used in pursuit of the sustainable investment objective, as described in the precontractual annex to this Fund Supplement.

The Fund typically invests 20-50% of its Net Asset Value in positive impact assets with a minimum of 20% and no maximum exposure.

In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy.

The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.

The Fund normally seeks to hold at least 70% of its Net Asset Value in Euro denominated assets or in other currencies hedged back to Euro.

The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchange traded futures, swaps, credit default swaps, options and total return swaps.

Investment Strategy	<p>The Fund's approach to sustainable investment is explained in the precontractual annex to this Fund Supplement.</p> <p>Volatility is managed by using research to estimate the variation in value and risk of different types of assets. The Fund seeks to manage volatility and risk through flexible asset allocation, by investing globally in multiple asset classes, and across different sectors, currencies and countries, in response to changes in economic conditions and asset values.</p> <p>This approach combines research to work out the anticipated value of assets over the medium to long term, with analysis of market reactions to events to identify investment opportunities. The Fund's volatility management objective may limit potential gains as well as losses.</p> <p>Investment Manager's ESG Classification</p> <p>The Fund is categorised as Planet+ / Sustainable</p> <p>The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.</p>
EU Sustainable Finance Disclosure Regulation	<p>The Fund is categorised as an Article 9 fund under SFDR, and information about its sustainable investment is described in the precontractual annex to this Fund Supplement.</p>
Benchmark	<p>Morningstar Euro Aggressive Allocation - Global</p> <p>The benchmark is a comparator against which the Fund's financial performance can be measured. It has been chosen as the Fund's benchmark as it reflects the financial aspects of the Fund's investment policy. The comparator benchmark does not constrain the Fund's portfolio construction.</p> <p>The Fund is actively managed. The Investment Manager has complete freedom in choosing which investments to buy, hold and sell in the Fund within the constraints set by the Fund's objective and investment policy.</p> <p>The benchmark is shown in the share class currency.</p>
Profile of Typical Investor	<p>The Fund is designed for retail and Institutional Investors who are looking for total return (capital growth plus income) from a diversified multi asset portfolio with a risk profile consistent with 55% to 100% exposure to equities, which deploys capital in a sustainable manner by investing in impact assets and companies and governments which uphold high standards of ESG behaviour and who have sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund. Additionally, the Fund's volatility management objective may limit potential gains as well as losses.</p> <p>This Fund is designed for investors who have an investment time horizon of at least five years.</p>
Reference Currency	EUR
Currency Hedged Share Classes	<p>Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund</p>

Calculation of Global Exposure	Absolute VaR
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Distribution Policy	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.
Main Risks	<p>The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.</p> <ul style="list-style-type: none"> • Capital & income will vary • Credit • Interest rate • Liquidity • Counterparty • Currency & exchange rate • Emerging markets • China • Securitised bonds • Contingent convertible debt securities • Derivative instruments • Short sales • ESG data • Investments exclusions <p>Investors should read the section "Risk Factors" for a full description of risks.</p>

Share Classes Available for Issue

Share Class	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Distribution Charge	CDSC	Local Tax <i>Taxe d'abonnement</i> (annual rate)	Administration Charge (maximum annual rate)
A	1.50%	4.00%	-	-	-	0.05%	0.15%
B	2.00%	-	-	-	-	0.05%	0.15%
C	0.60%	1.25%	-	-	-	0.05%	0.15%
CI	0.60%	1.25%	-	-	-	0.01%	0.15%
J	Up to 0.60%	1.25%	-	-	-	0.05%	0.15%
JI	Up to 0.60%	-	-	-	-	0.01%	0.15%
L	0.35%	1.25%	-	-	-	0.05%	0.15%
LI	0.35%	-	-	-	-	0.01%	0.15%
X	1.50%	-	-	1.00%	See CDSC Schedule below	0.05%	0.15%
Z	-	1.25%	-	-	-	0.05%	0.15%
ZI	-	-	-	-	-	0.01%	0.15%

Investors should read the section "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply.

Not all individual Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

CDSC Schedule

Shareholders who redeem from Class X Shares within three years of the original subscription date will be subject to a CDSC deducted from the redemption proceeds as follows:

Year	1	2	3	Thereafter
CDSC	3.00%	2.00%	1.00%	0.00%

Investors should refer to the section "Fees and Expenses" of the Prospectus for further information on the CDSC.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Sustainable Multi Asset Growth Fund
Legal Entity Identifier: 254900DTG2UFJ7LAT088

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ Yes

☐ No

☒ It will make a minimum of **sustainable investments with an environmental objective**: 30%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It will make a minimum of **sustainable investments with a social objective**: 20%

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What is the sustainable investment objective of this financial product?

To contribute to a sustainable economy by investing in assets supporting environmental and/or social goals, in particular climate change mitigation.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

• What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

Fund level sustainability indicators

The Investment Manager will report and monitor the below indicators that will apply to investments in aggregate.

a. Climate change mitigation and environmental solutions:

- Change in CO2 emissions intensity over the previous three year period (compounded annualised growth rate over last three years) (corporate and sovereigns).
- Percentage (%) of sovereigns party to the Paris Agreement (sovereigns).
- Weighted average carbon intensity (corporate).
- Percentage (%) of corporate issuers with ratified Science-Based Targets under the Science Based Target Initiative (SBTi) or an equivalent as assessed by the Investment Manager (corporate).
- Percentage (%) of corporate issuers participating in the Carbon Disclosure Project (CDP) (corporate).
- Tonnes of CO2 emissions avoided by positive impact investments (corporate and sovereigns).

b. Social

- Percentage (%) of sovereign ranked above the Social Progress Index (SPI) Global Average, which assesses how well a society provides its people with material needs, and does not have a negative 5 year trend (sovereigns)
- Number of underserved people reached including patients treated, customers served etc. by positive impact investments (corporate and sovereigns)

c. For positive impact assets:

- Percentage (%) of NAV invested in positive impact assets in the Fund

Security level sustainability indicators

At least one of the following indicators will be apply for each sustainable investment made by the Fund. The Investment Manager is not required to consider, or report on, all of the below sustainability indicators as part of the analysis for each sustainable investment.

1. Corporate issues

a. Climate change mitigation:

- Whether the corporate has ratified Science-Based Targets under the Science Based Target Initiative (SBTi) or an equivalent as assessed by the Investment Manager
- The Issuer is assessed as having a current temperature alignment of less than or equal to 1.5°C to evidence alignment with current scientific methodologies to address climate change
- Whether the issuer is participating in the Carbon Disclosure Project (CDP)
- The issue has been assessed as having more than 20% of revenues derived from any of the climate change environment impact themes including alternative energy, energy efficiency or green building

b. Other environmental

- The issuer's ESG Environment Pillar Score is at least 7.1, as determined by MSCI
- Percentage (%) of issuer revenues assessed as relating to environmental themes in excess of 20%
- The issue is a green environmental bond as verified by alignment to Climate Bonds Initiative (CBI), International Capital Market Association (ICMA) or another appropriate standard as accepted by the Investment Manager
- The issuer is a renewable energy producer

c. Social

- The issuer's ESG Social Pillar Score is at least 7.1 (leader), as determined by MSCI
- The issuer is a signatory to the UNGC Global Compact
- The issuer's board diversity is in excess of 33%
- Percentage (%) of issuer revenues assessed as relating to social themes in excess of 20%
- Number of underserved people reached including patients treated, customers served etc.

d. United Nations Sustainable Development Goals ("SDGs") alignment:

- The Investment Manager may assess whether an investment is aligned with one or more of the 17 SDGs, using appropriate metrics to determine the strength of that alignment.

2. Sovereign issues

a. Climate change mitigation and environmental solutions:

- The sovereign's Climate Change Performance Index (CCPI) score is not "Very Low"
- The sovereign is a party to the Paris Agreement and the UN Convention on Biological Diversity

b. Other environmental

- The sovereign's ESG Environment Pillar Score being at least 7.1 (leader), as determined by MSCI
- The issue is a green environmental bond as verified by alignment to CBI, ICMA or another appropriate standard as accepted by the Investment Manager

c. Social

- The issuer's ESG Social Pillar Score being at least 7.1 (leader), as determined by MSCI
- The issue is a social bond as verified by alignment to ICMA or another appropriate standard as accepted by the Investment Manager
- The sovereign is ranked above the Social Progress Index (SPI) Global Average, which assesses how well a society provides its people with material needs, and does not have a negative 5 year trend
- The sovereign has fully ratified all of the 8 International Labour Organisation (ILO) human rights conventions

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful.
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas).
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment.

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund. Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Fund investment approach is through flexible asset allocation, implemented by investing in securities of companies or governments that uphold high standards of ESG behaviour. The Fund also maintains a core holding of investments considered to have a positive impact through addressing the world major social and environmental challenges ("Positive Impact Assets"). The Fund typically invests 20-50% of its Net Asset Value in Positive Impact Assets with a minimum of 20% and no maximum exposure.

Positive Impact Assets are assessed using the Investment Manager's impact assessment methodology ("Impact Methodology") described below.

The Impact Methodology focuses on three criteria:

- Investment Credentials: the quality and durability of the company's business model and its ability to produce sustainable economic returns;
- Intention: the company's purpose as evidenced by the alignment of its mission statement with its corporate strategy and actions; and
- Impact: the scale of the net positive societal impact and the company's progress in addressing social equality challenges.

The outputs of the Impact Methodology enable the Fund to allocate to the following three investment types:

- "Pioneers", whose products or services have or could have a transformational effect on social equality.
- "Enablers", which provide the tools for others to empower social equality.
- "Leaders", which spearhead and mainstream sustainability in industries empowering social equality, but which may have more established profitability than pioneers.

The Investment Manager's engagement with the companies in which the Fund invests is key to the investment approach.

The Fund typically has a lower weighted average carbon intensity than the global equity market ("Positive ESG Outcome").

Sustainability considerations, encompassing ESG factors, are fully integrated into analysis and investment decisions, and play an important role in determining the investment universe and portfolio construction.

In order to identify securities for purchase, the Investment Manager initially reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. The Investment Manager then assesses the sustainability credentials of the remaining companies:
 - a) Under the ESG Criteria of the portfolio, the Investment Manager assesses and scores the ESG credentials of the remaining securities on the basis of external ESG ratings and the Investment Manager's assessment. Lower scoring securities which are considered as ESG laggards are excluded and the Investment Manager favours issuers with better ESG characteristics.
 - b) Positive Impact Assets are assessed using the Impact Methodology.
3. From the narrowed investment universe, the Investment Manager allocates capital between different types of assets in accordance with the process explained above. Within each asset class the Investment Manager then performs further analysis to consider the valuation of these investments and the appropriate time to purchase in consideration of the Fund's financial objective.
4. The Investment Manager favours issuers with lower carbon intensity where this is not detrimental to the pursuit of the investment objective. This process typically results in a portfolio with lower carbon intensity than the global equity market. In constructing a portfolio which favours investments with lower carbon intensity, the Investment Manager may nonetheless invest in investments across the full spectrum of carbon intensity. The Fund's calculation methodology does not include those securities that do not have carbon intensity data respectively, or cash, near cash, some derivatives and some collective investment schemes.

● **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The Fund's asset allocation, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Please note that the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is non-binding where the reason for holding less than such minimum is because Taxonomy-aligned investments are held instead (as all such investments are sustainable investments with environmental objectives).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates data driven quantitative good governance tests used to consider investments into companies. The Investment Manager excludes investments in securities that are considered as failing the Investment Manager's good governance tests. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



Asset allocation describes the share of investments in specific assets.

What is the asset allocation and the minimum share of sustainable investments?

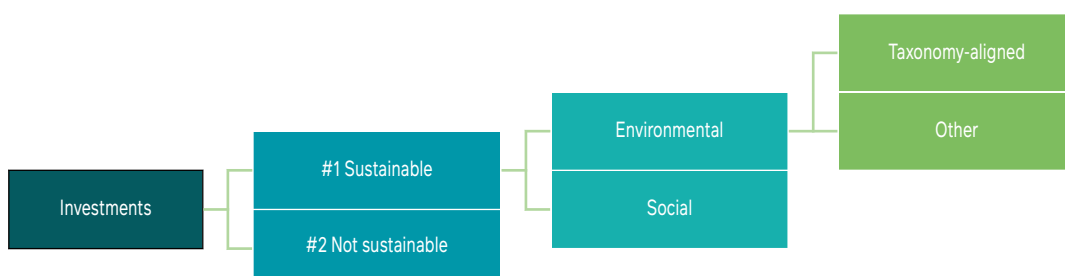
The Investment Manager expects at least 80% of the Fund to be invested in sustainable investments, in pursuit of the sustainable investment objective. The Fund is not required to favour any specific type of sustainable investment, and may invest in assets supporting any environmental and/or social goal, but will pay particular heed to climate change mitigation by using extra sustainability indicators for climate change mitigation, measuring performance on these characteristics at fund level, i.e. even where an investment has been purchased in pursuit of a social objective.

The Fund will invest at least 20% in sustainable investments with a social objective and at least 30% in sustainable investments with an environmental objective that are not aligned to the EU Taxonomy. Subject to those minima, the Fund may flexibly allocate between the different types of sustainable investments based on availability and attractiveness of investment opportunities, whilst keeping the aggregate allocation to sustainable investments with environmental and/or social objectives to a minimum of 80%.

The Fund typically invests 20-50% of its Net Asset Value in positive impact assets with a minimum of 20% and no maximum exposure.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

● How does the use of derivatives attain the sustainable investment objective?

Derivatives are only considered to contribute to the sustainable investment objective where such contribution can be evidenced:

1. Where a derivative represents exposure to a single name, it must be a sustainable investment that contributes to the Fund's sustainable investment objective.
2. Where a derivative represents exposure to a diversified financial index, the index's contribution to the sustainable investment objective must be evidenced. For example, the index rules may cause it to operate to deliver certain characteristics that are considered to positively contribute to the sustainable investment objective.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

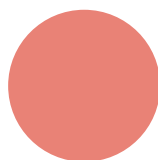
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

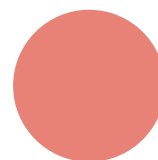
1. Taxonomy-alignment of investments including sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
■ Taxonomy aligned: Nuclear (0%)
■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
■ Non Taxonomy aligned (100%)



2. Taxonomy-alignment of investments excluding sovereign bonds*

■ Taxonomy aligned: Fossil gas (0%)
■ Taxonomy aligned: Nuclear (0%)
■ Taxonomy aligned: (No Fossil gas & Nuclear) (0%)
Taxonomy total (0%)
■ Non Taxonomy aligned (100%)



This graph represents X% of the total investments.**

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● **What is the minimum share of investments in transitional and enabling activities?**

0%



are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

30%



What is the minimum share of sustainable investments with a social objective?

20%



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for hedging purposes or in connection with cash held for ancillary liquidity and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

It is also possible that the Fund may hold investments that are not in line with the sustainable investment objective, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

Fixed Maturity Funds

M&G (Lux) Fixed Maturity Bond Fund 1

Launch Date	16 April 2024
Duration	The Fund is established for a fixed term of two (2) years from the launch date.
Investment Objective	The Fund aims to deliver total return (capital growth plus income) over the term of the Fund, while applying ESG criteria.
Investment Policy	<p>The Fund invests at least 80% of its Net Asset Value in investment grade debt securities. These securities can be issued or guaranteed by governments and public issuers, and companies. Issuers can be located anywhere in the world, including emerging markets. These securities can be denominated in any currency.</p> <p>The Fund may invest up to 20% in below investment grade and unrated debt securities.</p> <p>Unrated securities may be considered above or below investment grade in the opinion of the Investment Manager, but, for the purposes of this investment restriction, all unrated securities shall be aggregated with securities rated below investment grade.</p> <p>The Fund may also hold up to a maximum of 10% of its Net Asset Value in contingent convertible debt securities and up to a maximum of 10% of its Net Asset Value in asset-backed securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency.</p> <p>The Fund will typically invest directly. The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchanged traded futures, options, credit default swaps, and interest rate swaps and credit linked notes.</p> <p>In the period leading up to the Maturity Date, the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors. Consequently, the financial terms of the investment policy described herein may no longer be relevant in the 6 months preceding the Maturity Date. The precontractual annex to this Fund Supplement explains the way in which the Exclusionary Approach applies during this period.</p>

Investment Strategy**Investment Approach**

The Fund predominantly adopts a buy and maintain strategy, whereby the majority of the debt securities held within the Fund are expected to be held until maturity.

The investment process combines a bottom-up value focused approach and “top-down” macroeconomic, asset, sector and geographic considerations. The investment strategy aims to earn an attractive yield whilst balancing credit risk and diversification.

The Fund is diversified by investing in a range of individual issuers, sectors and geographies.

An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.

In the event that a debt security’s or an issuer’s credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Investment Manager’s ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

The Fund is actively managed and it has no benchmark.

Investors can assess the performance of the Fund by its objective to deliver total return (capital growth plus income) over the term of the Fund.

Product Structure

The Fund features distinct periods.

1 Initial Offer Period

The Fund will have an Initial Offer Period (the "IOP") when investors can make subscriptions prior to the launch of the Fund. The IOP will be determined by the Management Company.

At the end of the IOP, the Directors or the Management Company may determine, at their discretion and taking into account the interests of investors, that subscriptions received during the IOP are insufficient to manage the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Directors or the Management Company may decide that the Fund will not proceed to launch. Subscription amounts paid by investors through the IOP will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of each applicant, in accordance with the provisions of this Prospectus.

2 Investment Period

During the investment period (the “Investment Period”) the Fund will be managed in accordance with its investment objective and investment policy.

The Directors or the Management Company may determine, at their discretion, to allow further subscriptions into the Fund during the Investment Period.

In the event of significant investor redemptions, the Directors or the Management Company reserve the right to close the Fund before the Maturity Date subject to the net assets of the Fund falling below a minimum viable level as determined by the Directors or by the Management Company.

3 Maturity Date

The Fund will be liquidated on the Maturity Date and Shares in the Fund will be compulsorily redeemed at the prevailing Net Asset Value per Share.

The Maturity Date may be deferred or brought forward by up to three months (or any other period notified in advance to the Shareholders) if the Directors believe that it is in the interest of Shareholders, notably to ensure a smooth liquidation.

Shareholders will be notified of such decision and will be given the possibility to redeem their Shares free of charge.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to earn an attractive yield over the term of the Fund, and is designed for those investors who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

The Fund is designed for investors who have an investment time horizon aligned with the fixed term of the Fund and are therefore prepared to remain invested until the Maturity Date.

Reference Currency

EUR.

Currency Hedged Share Classes

Currency Hedged Share Classes in this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Calculation of Global Exposure

Absolute VaR

Leverage

The Fund’s expected average level of leverage under normal market conditions is 100% of the Fund’s Net Asset Value when calculated in accordance with the sum of notionals approach.

The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Subscriptions

Shares are typically only available for subscription during the IOP. No subscription is permitted during the Investment Period unless the Management Company should determine, at its discretion, to allow further subscriptions into the Fund during the Investment Period.

Redemptions	<p>All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.</p> <p>Redemption requests will be executed on each Business Day.</p> <p>Shareholders will receive a gross redemption amount, based on the Price per Share and the applicable redemption charge.</p>
Switches	<p>Switches will not be allowed from other Funds into this Fund, or out of this Fund into other Funds, unless otherwise decided by the Board of Directors or the Management Company.</p>
Dealing Day	<p>All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.</p>
Dealing Request Deadline	<p>13.00 hours (Luxembourg time) on each Dealing Day.</p> <p>Redemption requests may be placed on each Business Day (up to the Dealing Request Deadline).</p>
Distribution Policy	<p>If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.</p> <p>There will be a pro rata adjustment done on the distribution taking into account any partial redemption.</p>
Main Risks	<p>The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.</p> <ul style="list-style-type: none"> • Capital & income will vary • Credit • Interest rate • Counterparty • Currency & exchange rate • Securitised bonds • Emerging markets • Investment in funds • Derivative instruments • Fixed maturity fund • Funds or Share Classes with Fixed Distributions • Redemption charge • Liquidity • ESG Data • Investments exclusions <p>Investors should read the section “Risk Factors” for a full description of risks.</p>

Share Classes Available for Issue

Share Class	Single Charge (annual rate)	Initial Charge	Redemption Charge
W	Up to 0.60%	-	See the schedule below
WI	Up to 0.60%	-	See the schedule below
P	Up to 1.20%	-	See the schedule below
Z	-	-	See the schedule below
ZI	-	-	See the schedule below

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply in addition to the Single Charge.

Not all Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

Redemption Charge Schedule

Shareholders who redeem prior to the Fund’s maturity may be subject to redemption charges as follows:

Year	1	2	3	4	5	6
Redemption Charge	3.00%	2.50%	2.00%	1.50%	1.00%	0.50%

The Management Company or the Directors may reduce or waive the Redemption Charge amount in their sole discretion.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Fixed Maturity Bond Fund 1
Legal Entity Identifier: 254900IRO3Z6FNZ6D918

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

● ● ☐ Yes

● ● ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
- Exclusionary approach: Percentage (%) of cash held with institutions or placed in money market funds below the Investment Manager's ESG quality threshold

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Prior to the period leading up to the Maturity Date, minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Investors should note that in the period leading up to the Maturity Date the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors and during this period the commitment to maintain a minimum level of sustainable investments will no longer apply.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



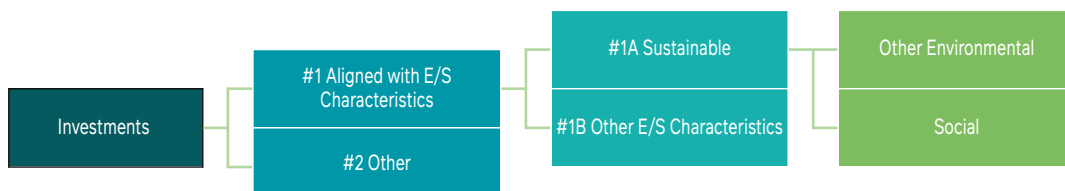
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

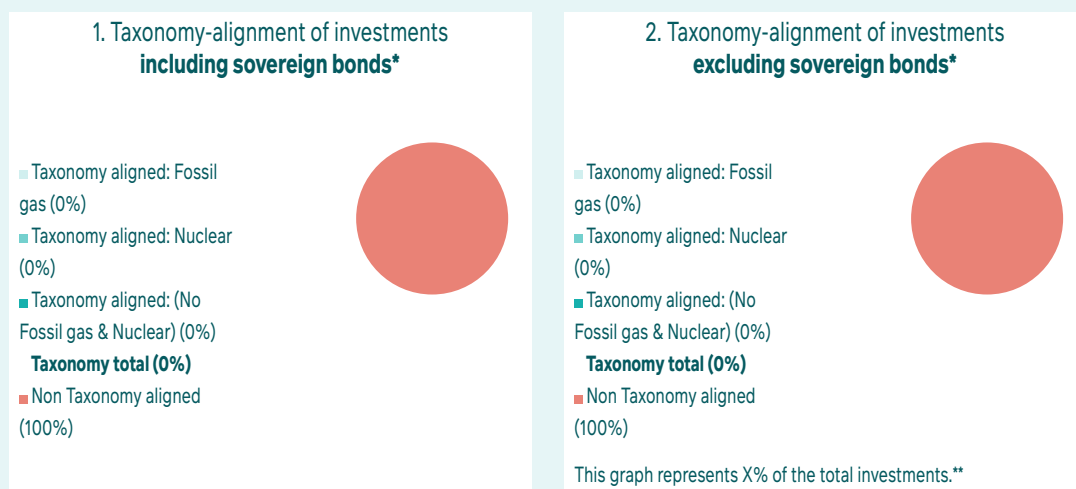
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%



- **What is the minimum share of socially sustainable investments?**
5%



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied where such instruments are held as “Other” investments.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics. It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Fixed Maturity Bond Fund 2

Launch Date	7 November 2023
Duration	The Fund is established for a fixed term of eighteen (18) months from the launch date.
Investment Objective	The Fund aims to deliver total return (capital growth plus income) over the term of the Fund, while applying ESG criteria.
Investment Policy	<p>The Fund invests at least 65% of its Net Asset Value in investment grade debt securities. These securities can be issued or guaranteed by governments and public issuers, and companies. Issuers can be located anywhere in the world, including emerging markets. These securities can be denominated in any currency.</p> <p>The Fund may invest up to 35% in below investment grade and unrated debt securities.</p> <p>Unrated securities may be considered above or below investment grade in the opinion of the Investment Manager, but, for the purposes of this investment restriction, all unrated securities shall be aggregated with securities rated below investment grade.</p> <p>The Fund may also hold up to a maximum of 10% of its Net Asset Value in contingent convertible debt securities and up to a maximum of 10% of its Net Asset Value in asset-backed securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 35% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency.</p> <p>The Fund will typically invest directly. The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchanged traded futures, options, credit default swaps, and interest rate swaps and credit linked notes.</p> <p>In the period leading up to the Maturity Date, the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors. Consequently, the financial terms of the investment policy described herein may no longer be relevant in the 6 months preceding the Maturity Date. The precontractual annex to this Fund Supplement explains the way in which the Exclusionary Approach applies during this period.</p>

Investment Strategy**Investment Approach**

The Fund predominantly adopts a buy and maintain strategy, whereby the majority of the debt securities held within the Fund are expected to be held until maturity.

The investment process combines a bottom-up value focused approach and “top-down” macroeconomic, asset, sector and geographic considerations. The investment strategy aims to earn an attractive yield whilst balancing credit risk and diversification.

The Fund is diversified by investing in a range of individual issuers, sectors and geographies.

An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.

In the event that a debt security’s or an issuer’s credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Investment Manager’s ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

The Fund is actively managed and it has no benchmark.

Investors can assess the performance of the Fund by its objective to deliver total return (capital growth plus income) over the term of the Fund.

Product Structure

The Fund features three distinct periods.

1 Initial Offer Period

The Fund will have an Initial Offer Period (the "IOP") when investors can make subscriptions prior to the launch of the Fund. The IOP will be set by the Management Company.

At the end of the IOP, the Directors or the Management Company may determine, at their discretion and taking into account the interests of investors, that subscriptions received during the IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Directors or the Management Company may decide that the Fund will not proceed to launch. Subscription amounts paid by investors through the IOP will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of each applicant, in accordance with the provisions of this Prospectus.

2 Investment Period

During the investment period (the “Investment Period”) the Fund will be managed in accordance with its investment objective and investment policy.

The Directors or the Management Company may determine, at their discretion, to allow further subscriptions into the Fund during the Investment Period.

In the event of significant investor redemptions, the Directors or the Management Company reserve the right to close the Fund before the Maturity Date subject to the net assets of the Fund falling below a minimum viable level as determined by the Directors or the Management Company.

3 Maturity Date

Unless otherwise decided by the Directors and notified to Shareholders, the Fund will be liquidated on the Maturity Date and Shares in the Fund will be compulsorily redeemed at the prevailing Net Asset Value per Share.

The Maturity Date may be deferred or brought forward by up to three months if the Directors believe that it is in the interest of Shareholders. Shareholders will be notified of such decision and will be given the possibility to redeem their Shares free of charge.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to earn an attractive yield over the term of the Fund, and is designed for those investors who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise. In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

The Fund is designed for investors who have an investment time horizon aligned with the fixed term of the Fund and are therefore prepared to remain invested until the Maturity Date.

Reference Currency

EUR.

Currency Hedged Share Classes

Currency Hedged Share Classes in this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Calculation of Global Exposure

Absolute VaR

Leverage

The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.

The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Subscriptions

Shares are typically only available for subscription during the IOP. No subscription is permitted after the launch of the Fund unless the Management Company should determine, at its discretion, to allow further subscriptions into the Fund during the Investment Period.

Redemptions

All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.

Redemption requests will be executed on each Business Day.

Shareholders will receive a gross redemption amount, based on the Price per Share and the applicable redemption charge.

Switches	Switches will not be allowed from other Funds into this Fund, or out of this Fund into other Funds, unless otherwise decided by the Board of Directors or the Management Company.
Dealing Day	All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.
Dealing Request Deadline	13.00 hours (Luxembourg time) on each Dealing Day. Redemption requests may be placed on each Business Day (up to the Dealing Request Deadline).
Distribution Policy	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis. There will be a pro rata adjustment done on the distribution taking into account any partial redemption.
Main Risks	<p>The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.</p> <ul style="list-style-type: none"> • Capital & income will vary • Credit • Interest rate • Counterparty • Currency & exchange rate • Securitised bonds • Emerging markets • Investment in funds • Derivative instruments • Fixed maturity fund • Funds or Share Classes with Fixed Distributions • Redemption charge • Liquidity • ESG Data • Investments exclusions

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Single Charge (annual rate)	Initial Charge	Redemption Charge
W	Up to 0.60%	1.25%	See the schedule below
WI	Up to 0.60%	1.25%	See the schedule below
P	Up to 1.20%	4.00%	See the schedule below
Z	-	-	See the schedule below
ZI	-	-	See the schedule below

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply in addition to the Single Charge.

Not all Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

Redemption Charge Schedule

Shareholders who redeem prior to the Fund's maturity may be subject to redemption charges as follows:

Year	1	2
Redemption Charge	3.00%	2.50%

The Management Company or the Directors may reduce or waive the Redemption Charge amount in their sole discretion.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Fixed Maturity Bond Fund 2
Legal Entity Identifier: 25490071LIN2XSPDBQ92

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒
☒
☐

Yes

☒
☐
☒

No

☐
It will make a minimum of **sustainable investments with an environmental objective**:

☐
in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐
in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐
It will make a minimum of **sustainable investments with a social objective**:

☒
It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐
with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒
with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
☒
with a social objective

☐
It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

 - Exclusionary approach: Percentage (%) of NAV held in excluded investments
 - Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
 - Exclusionary approach: Percentage (%) of cash held with institutions or placed in money market funds below the Investment Manager's ESG quality threshold

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Prior to the period leading up to the Maturity Date, minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Investors should note that in the period leading up to the Maturity Date the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors and during this period the commitment to maintain a minimum level of sustainable investments will no longer apply.

● What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



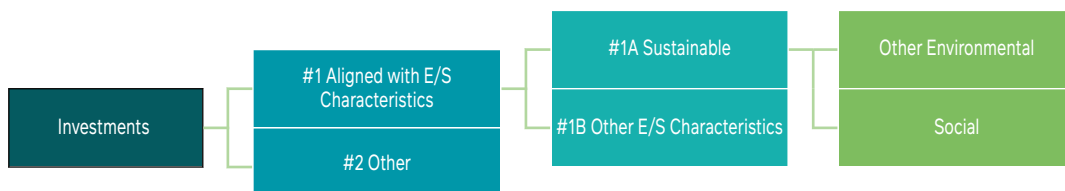
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

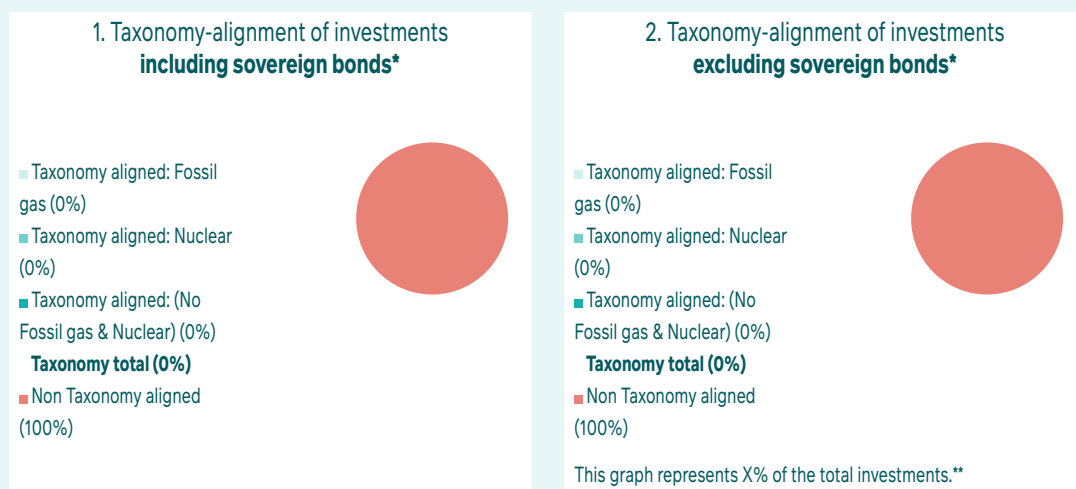
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%



- **What is the minimum share of socially sustainable investments?**
5%



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied where such instruments are held as “Other” investments.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics. It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Fixed Maturity Bond Fund 3

Launch Date	27 September 2023
Duration	The Fund is established for a fixed term of five (5) years from the launch date.
Investment Objective	The Fund aims to deliver total return (capital growth plus income) over the term of the Fund, while applying ESG criteria.
Investment Policy	<p>The Fund invests at least 50% of its Net Asset Value in investment grade debt securities. These securities can be issued or guaranteed by governments and public issuers, and companies. Issuers can be located anywhere in the world, including emerging markets. These securities can be denominated in any currency.</p> <p>The Fund may invest up to 50% in below investment grade and unrated debt securities.</p> <p>Unrated securities may be considered above or below investment grade in the opinion of the Investment Manager, but, for the purposes of this investment restriction, all unrated securities shall be aggregated with securities rated below investment grade.</p> <p>The Fund may also hold up to a maximum of 10% of its Net Asset Value in contingent convertible debt securities and up to a maximum of 10% of its Net Asset Value in asset-backed securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 50% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency.</p> <p>The Fund will typically invest directly. The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchanged traded futures, options, credit default swaps, and interest rate swaps and credit linked notes.</p> <p>In the period leading up to the Maturity Date, the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors. Consequently, the financial terms of the investment policy described herein may no longer be relevant in the 6 months preceding the Maturity Date. The precontractual annex to this Fund Supplement explains the way in which the Exclusionary Approach applies during this period.</p>

Investment Strategy**Investment Approach**

The Fund predominantly adopts a buy and maintain strategy, whereby the majority of the debt securities held within the Fund are expected to be held until maturity.

The investment process combines a bottom-up value focused approach and “top-down” macroeconomic, asset, sector and geographic considerations. The investment strategy aims to earn an attractive yield whilst balancing credit risk and diversification.

The Fund is diversified by investing in a range of individual issuers, sectors and geographies.

An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.

In the event that a debt security’s or an issuer’s credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Investment Manager’s ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

The Fund is actively managed and it has no benchmark.

Investors can assess the performance of the Fund by its objective to deliver total return (capital growth plus income) over the term of the Fund.

Product Structure

The Fund features three distinct periods.

1 Initial Offer Period

The Fund will have an Initial Offer Period (the "IOP") when investors can make subscriptions prior to the launch of the Fund. The IOP will be set by the Management Company.

At the end of the IOP, the Directors or the Management Company may determine, at their discretion and taking into account the interests of investors, that subscriptions received during the IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Directors or the Management Company may decide that the Fund will not proceed to launch. Subscription amounts paid by investors through the IOP will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of each applicant, in accordance with the provisions of this Prospectus.

2 Investment Period

During the investment period (the “Investment Period”) the Fund will be managed in accordance with its investment objective and investment policy.

The Directors or the Management Company may determine, at their discretion, to allow further subscriptions into the Fund during the Investment Period.

In the event of significant investor redemptions, the Directors or the Management Company reserve the right to close the Fund before the Maturity Date subject to the net assets of the Fund falling below a minimum viable level as determined by the Directors or the Management Company.

3 Maturity Date

Unless otherwise decided by the Directors and notified to Shareholders, the Fund will be liquidated on the Maturity Date and Shares in the Fund will be compulsorily redeemed at the prevailing Net Asset Value per Share.

The Maturity Date may be deferred or brought forward by up to three months if the Directors believe that it is in the interest of Shareholders. Shareholders will be notified of such decision and will be given the possibility to redeem their Shares free of charge.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to earn an attractive yield over the term of the Fund, and is designed for those investors who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise. In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

The Fund is designed for investors who have an investment time horizon aligned with the fixed term of the Fund and are therefore prepared to remain invested until the Maturity Date.

Reference Currency

EUR.

Currency Hedged Share Classes

Currency Hedged Share Classes in this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Calculation of Global Exposure

Absolute VaR

Leverage

The Fund’s expected average level of leverage under normal market conditions is 100% of the Fund’s Net Asset Value when calculated in accordance with the sum of notionals approach.

The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Subscriptions

Shares are typically only available for subscription during the IOP. No subscription is permitted after the launch of the Fund unless the Management Company should determine, at its discretion, to allow further subscriptions into the Fund during the Investment Period.

Redemptions

All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.

Redemption requests will be executed on each Business Day.

Shareholders will receive a gross redemption amount, based on the Price per Share and the applicable redemption charge.

Switches Switches will not be allowed from other Funds into this Fund, or out of this Fund into other Funds, unless otherwise decided by the Board of Directors or the Management Company.

Dealing Day All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.

Dealing Request Deadline 13.00 hours (Luxembourg time) on each Dealing Day.
Redemption requests may be placed on each Business Day (up to the Dealing Request Deadline).

Distribution Policy If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.

There will be a pro rata adjustment done on the distribution taking into account any partial redemption.

Main Risks The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Counterparty
- Currency & exchange rate
- Securitised bonds
- Emerging markets
- Investment in funds
- Derivative instruments
- Fixed maturity fund
- Funds or Share Classes with Fixed Distributions
- Redemption charge
- Liquidity
- ESG Data
- Investments exclusions

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Single Charge (annual rate)	Initial Charge	Redemption Charge
W	Up to 0.60%	1.25%	See the schedule below
WI	Up to 0.60%	1.25%	See the schedule below
P	Up to 1.20%	4.00%	See the schedule below
Z	-	-	See the schedule below
ZI	-	-	See the schedule below

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply in addition to the Single Charge.

Not all Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

Redemption Charge Schedule

Shareholders who redeem prior to the Fund's maturity may be subject to redemption charges as follows:

Year	1	2	3	4	5	6
Redemption Charge	3.00%	2.50%	2.00%	1.50%	1.00%	0.50%

The Management Company or the Directors may reduce or waive the Redemption Charge amount in their sole discretion.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Fixed Maturity Bond Fund 3
Legal Entity Identifier: 254900L6XPV7TWBQ2J18

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

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What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
- Exclusionary approach: Percentage (%) of cash held with institutions or placed in money market funds below the Investment Manager's ESG quality threshold

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Prior to the period leading up to the Maturity Date, minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Investors should note that in the period leading up to the Maturity Date the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors and during this period the commitment to maintain a minimum level of sustainable investments will no longer apply.

● What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



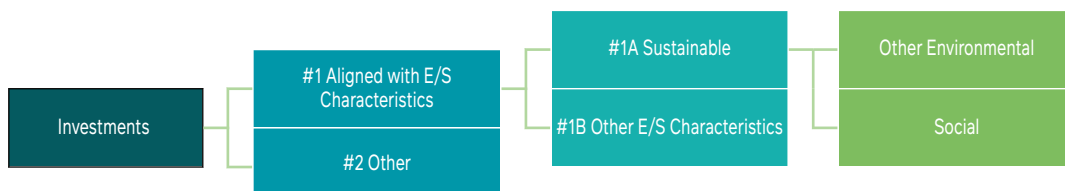
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

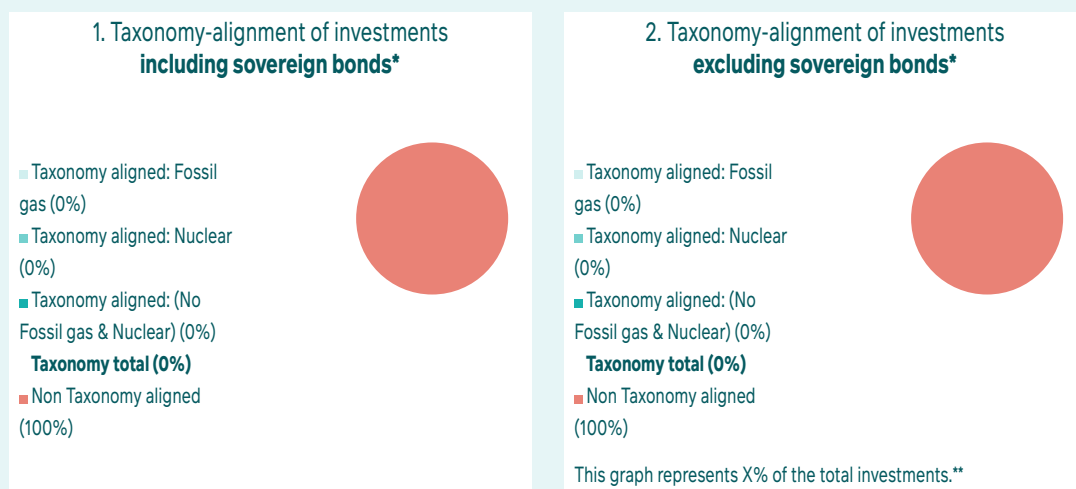
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



- What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%



- What is the minimum share of socially sustainable investments?**
5%



- What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied where such instruments are held as “Other” investments.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics. It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Fixed Maturity Bond Fund 4

Launch Date	12 August 2024.
First Day of the Investment Period	15 October 2024 or on any other date decided by the Management Company or by the Board of Directors of the Company which cannot exceed three months from the Launch Date.
Duration	The Fund is established for a fixed term of three (3) years from the First Day of the Investment Period, as defined below.
Investment Objective	The Fund aims to deliver total return (capital growth plus income) over the term of the Fund, while applying ESG criteria.
Investment Policy	<p>During the Investment Period as defined below, the Fund invests at least 70% of its Net Asset Value in investment grade debt securities. These securities can be issued or guaranteed by governments and public issuers, and companies. Issuers can be located anywhere in the world, including emerging markets. These securities can be denominated in any currency.</p> <p>The Fund may invest up to 30% in below investment grade and unrated debt securities.</p> <p>Unrated securities may be considered above or below investment grade in the opinion of the Investment Manager, but, for the purposes of this investment restriction, all unrated securities shall be aggregated with securities rated below investment grade.</p> <p>The Fund may also hold up to a maximum of 10% of its Net Asset Value in contingent convertible debt securities and up to a maximum of 10% of its Net Asset Value in asset-backed securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 30% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency.</p> <p>The Fund will typically invest directly. The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchanged traded futures, options, credit default swaps, and interest rate swaps and credit linked notes.</p> <p>In the period leading up to the Maturity Date, the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors. Consequently, the financial terms of the investment policy described herein may no longer be relevant in the</p>

6 months preceding the Maturity Date. The precontractual annex to this Fund Supplement explains the way in which the Exclusionary Approach applies during this period.

Investment Strategy

Investment Approach

The Fund predominantly adopts a buy and maintain strategy, whereby the majority of the debt securities held within the Fund are expected to be held until maturity.

The investment process combines a bottom-up value focused approach and “top-down” macroeconomic, asset, sector and geographic considerations. The investment strategy aims to earn an attractive yield whilst balancing credit risk and diversification.

The Fund is diversified by investing in a range of individual issuers, sectors and geographies.

An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.

In the event that a debt security’s or an issuer’s credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Investment Manager’s ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

The Fund is actively managed and it has no benchmark.

Investors can assess the performance of the Fund by its objective to deliver total return (capital growth plus income) over the term of the Fund.

Product Structure

The Fund features distinct periods.

1 Initial Offer Period

The Fund will have an Initial Offer Period (the "IOP") when investors can make subscriptions prior to the launch of the Fund. The IOP will be determined by the Management Company.

At the end of the IOP, the Directors or the Management Company may determine, at their discretion and taking into account the interests of investors, that subscriptions received during the IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Directors or the Management Company may, at their discretion, either decide that the Fund will not proceed to launch or have a Pre-Investment Period (see below).

In case it is decided that the Fund will not proceed to launch, subscription amounts paid by investors through the IOP will be returned (without interest) as soon as practicable in the

relevant currency at the risk and cost of each applicant, in accordance with the provisions of this Prospectus.

2 Pre-Investment Period

The Fund may have a pre-investment period (the “Pre-Investment Period”) following the first Net Asset Value calculation when investors can make further subscriptions, at the discretion of the Management Company.

The Pre-Investment Period will be determined by the Management Company and will not exceed three months following the Fund’s launch date.

During the Pre-Investment Period, the Fund will not be managed in accordance with its investment objective and investment policy and will instead hold cash and near cash. However, under no circumstances is it intended for the Fund to qualify as a money market fund within the meaning of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as amended, during this period.

At the end of the Pre-Investment Period, the Directors or the Management Company, may determine, at their discretion and taking into account the interests of Shareholders, that subscriptions received during the Pre-Investment Period and IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Management Company may decide that the Fund will not proceed to its Investment Period and may instead decide to liquidate the Fund. Such liquidation would be conducted in accordance with applicable laws and regulations and the terms of this Prospectus.

In case it is decided that the Fund will not proceed to its Investment Period but will be liquidated, 80% of the Single Charge charged during the Pre-Investment Period will be returned to the Shareholders.

3 Investment Period

During the investment period (the “Investment Period”) the Fund will be managed in accordance with its investment objective and investment policy.

The Directors or the Management Company may determine, at their discretion, to allow further subscriptions into the Fund during the Investment Period.

In the event of significant investor redemptions, the Directors or the Management Company reserve the right to close the Fund before the Maturity Date subject to the net assets of the Fund falling below a minimum viable level as determined by the Directors or by the Management Company.

4 Maturity Date

The Fund will be liquidated on the Maturity Date and Shares in the Fund will be compulsorily redeemed at the prevailing Net Asset Value per Share.

The Maturity Date may be deferred or brought forward by up to three months (or any other period notified in advance to the Shareholders) if the Directors believe that it is in the interest of Shareholders, notably to ensure a smooth liquidation.

Shareholders will be notified of such decision and will be given the possibility to redeem their Shares free of charge.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to earn an attractive yield over the term of the Fund, and is designed for those investors who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

The Fund is designed for investors who have an investment time horizon aligned with the fixed term of the Fund and are therefore prepared to remain invested until the Maturity Date.

Reference Currency	EUR.
Currency Hedged Share Classes	Currency Hedged Share Classes in this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Calculation of Global Exposure	Absolute VaR
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Subscriptions	Shares are typically only available for subscription during the IOP and during the Pre-Investment Period, if any. No subscription is permitted during the Investment Period, unless the Management Company should determine, at its discretion, to allow further subscriptions into the Fund during the Investment Period.
Redemptions	<p>All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.</p> <p>Redemption requests will be executed on each Business Day.</p> <p>Shareholders will receive a gross redemption amount, based on the Price per Share and the applicable redemption charge.</p>
Switches	Switches will not be allowed from other Funds into this Fund, or out of this Fund into other Funds, unless otherwise decided by the Board of Directors or the Management Company.
Dealing Day	All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.
Dealing Request Deadline	<p>13.00 hours (Luxembourg time) on each Dealing Day.</p> <p>Redemption requests may be placed on each Business Day (up to the Dealing Request Deadline).</p>
Distribution Policy	<p>If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.</p> <p>There will be a pro rata adjustment done on the distribution taking into account any partial redemption.</p>

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Counterparty
- Currency & exchange rate
- Securitised bonds
- Emerging markets
- Investment in funds
- Derivative instruments
- Fixed maturity fund
- Funds or Share Classes with Fixed Distributions
- Redemption charge
- Liquidity
- ESG Data
- Investments exclusions risk

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Single Charge (annual rate)	Initial Charge	Redemption Charge
W	Up to 0.60%	-	See the schedule below
WI	Up to 0.60%	-	See the schedule below
P	Up to 1.20%	-	See the schedule below
Z	-	-	See the schedule below
ZI	-	-	See the schedule below

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply in addition to the Single Charge.

Not all Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

Redemption Charge Schedule

Shareholders who redeem prior to the Fund’s maturity may be subject to redemption charges as follows:

Year	1	2	3	4	5	6
Redemption Charge	3.00%	2.50%	2.00%	1.50%	1.00%	0.50%

The Management Company or the Directors may reduce or waive the Redemption Charge amount in their sole discretion.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Fixed Maturity Bond Fund 4
Legal Entity Identifier: 2549003535IUCAEPWU97

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
- Exclusionary approach: Percentage (%) of cash held with institutions or placed in money market funds below the Investment Manager's ESG quality threshold

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Prior to the period leading up to the Maturity Date, minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Investors should note that in the period leading up to the Maturity Date the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors and during this period the commitment to maintain a minimum level of sustainable investments will no longer apply.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



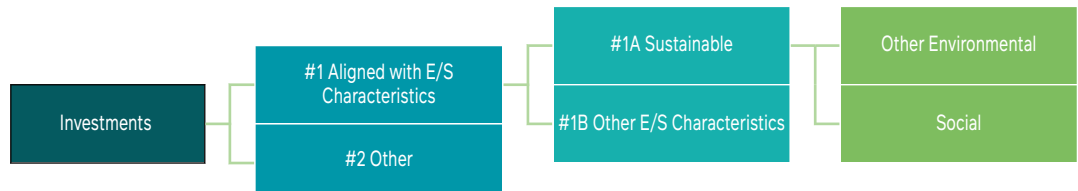
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Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
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- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

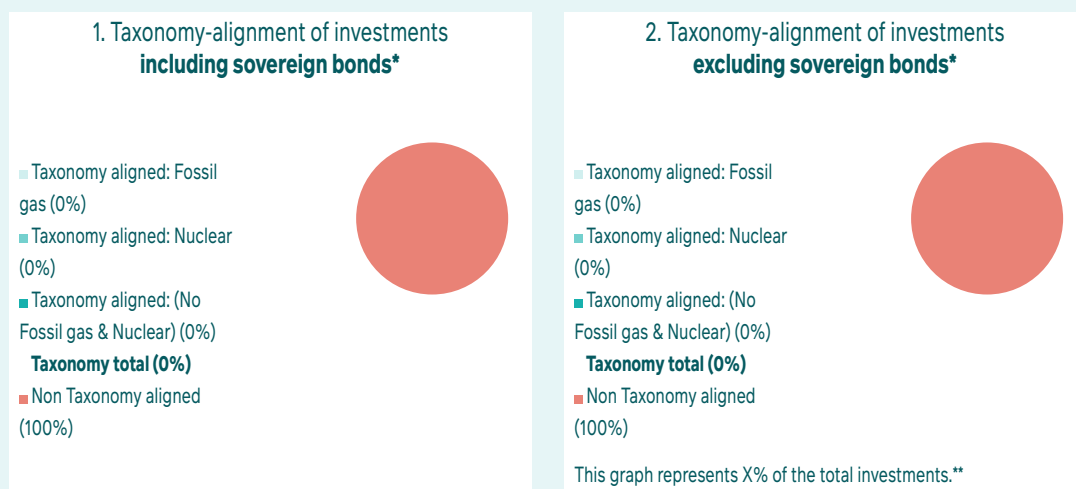
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%



- **What is the minimum share of socially sustainable investments?**
5%



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied where such instruments are held as “Other” investments.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics. It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Fixed Maturity Bond Fund 5

Launch Date	5 November 2024 or on any other date decided by the Management Company or by the Board of Directors of the Company, in which case the new launch date will be disclosed here as soon as possible.
First Day of the Investment Period	6 February 2025 or on any other date decided by the Management Company or by the Board of Directors of the Company which cannot exceed three months from the Launch Date.
Duration	The Fund will be established for a fixed term of four (4) years from the First Day of the Investment Period as defined below.
Investment Objective	The Fund aims to deliver total return (capital growth plus income) over the term of the Fund, while applying ESG criteria.
Investment Policy	<p>During the Investment Period as defined below, the Fund invests at least 65% of its Net Asset Value in investment grade debt securities. These securities can be issued or guaranteed by governments and public issuers, and companies. Issuers can be located anywhere in the world, including emerging markets. These securities can be denominated in any currency.</p> <p>The Fund may invest up to 35% in below investment grade and unrated debt securities.</p> <p>Unrated securities may be considered above or below investment grade in the opinion of the Investment Manager, but, for the purposes of this investment restriction, all unrated securities shall be aggregated with securities rated below investment grade.</p> <p>The Fund may also hold up to a maximum of 10% of its Net Asset Value in contingent convertible debt securities and up to a maximum of 10% of its Net Asset Value in asset-backed securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 35% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency.</p> <p>The Fund will typically invest directly. The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchanged traded futures, options, credit default swaps, and interest rate swaps and credit linked notes.</p> <p>In the period leading up to the Maturity Date, the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors. Consequently, the financial terms of the investment policy described herein may no longer be relevant in the</p>

6 months preceding the Maturity Date. The precontractual annex to this Fund Supplement explains the way in which the Exclusionary Approach applies during this period.

Investment Strategy

Investment Approach

The Fund predominantly adopts a buy and maintain strategy, whereby the majority of the debt securities held within the Fund are expected to be held until maturity.

The investment process combines a bottom-up value focused approach and “top-down” macroeconomic, asset, sector and geographic considerations. The investment strategy aims to earn an attractive yield whilst balancing credit risk and diversification.

The Fund is diversified by investing in a range of individual issuers, sectors and geographies.

An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.

In the event that a debt security’s or an issuer’s credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Investment Manager’s ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

The Fund is actively managed and it has no benchmark.

Investors can assess the performance of the Fund by its objective to deliver total return (capital growth plus income) over the term of the Fund.

Product Structure

The Fund features distinct periods.

1 Initial Offer Period

The Fund will have an Initial Offer Period (the "IOP") when investors can make subscriptions prior to the launch of the Fund. The IOP will be determined by the Management Company.

At the end of the IOP, the Directors or the Management Company may determine, at their discretion and taking into account the interests of investors, that subscriptions received during the IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Directors or the Management Company may, at their discretion, either decide that the Fund will not proceed to launch or have a Pre-Investment Period (see below).

In case it is decided that the Fund will not proceed to launch, subscription amounts paid by investors through the IOP will be returned (without interest) as soon as practicable in the

relevant currency at the risk and cost of each applicant, in accordance with the provisions of this Prospectus.

2 Pre-Investment Period

The Fund may have a pre-investment period (the “Pre-Investment Period”) following the first Net Asset Value calculation when investors can make further subscriptions, at the discretion of the Management Company.

The Pre-Investment Period will be determined by the Management Company and will not exceed three months following the Fund’s launch date.

During the Pre-Investment Period, the Fund will not be managed in accordance with its investment objective and investment policy and will instead hold cash and near cash. However, under no circumstances is it intended for the Fund to qualify as a money market fund within the meaning of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as amended, during this period.

At the end of the Pre-Investment Period, the Directors or the Management Company, may determine, at their discretion and taking into account the interests of Shareholders, that subscriptions received during the Pre-Investment Period and IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Management Company may decide that the Fund will not proceed to its Investment Period and may instead decide to liquidate the Fund. Such liquidation would be conducted in accordance with applicable laws and regulations and the terms of this Prospectus.

In case it is decided that the Fund will not proceed to its Investment Period but will be liquidated, 80% of the Single Charge charged during the Pre-Investment Period will be returned to the Shareholders.

3 Investment Period

During the investment period (the “Investment Period”) the Fund will be managed in accordance with its investment objective and investment policy.

The Directors or the Management Company may determine, at their discretion, to allow further subscriptions into the Fund during the Investment Period.

In the event of significant investor redemptions, the Directors or the Management Company reserve the right to close the Fund before the Maturity Date subject to the net assets of the Fund falling below a minimum viable level as determined by the Directors or by the Management Company.

4 Maturity Date

The Fund will be liquidated on the Maturity Date and Shares in the Fund will be compulsorily redeemed at the prevailing Net Asset Value per Share.

The Maturity Date may be deferred or brought forward by up to three months (or any other period notified in advance to the Shareholders) if the Directors believe that it is in the interest of Shareholders, notably to ensure a smooth liquidation.

Shareholders will be notified of such decision and will be given the possibility to redeem their Shares free of charge.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to earn an attractive yield over the term of the Fund, and is designed for those investors who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

The Fund is designed for investors who have an investment time horizon aligned with the fixed term of the Fund and are therefore prepared to remain invested until the Maturity Date.

Reference Currency	EUR. The Fund's Reference Currency could change by decision of the Board or of the Management Company before launch, in which case the Prospectus will be updated before the launch date.
Currency Hedged Share Classes	Currency Hedged Share Classes in this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Calculation of Global Exposure	Absolute VaR
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Subscriptions	Shares are typically only available for subscription during the IOP and during the Pre-Investment Period, if any. No subscription is permitted during the Investment Period, unless the Management Company should determine, at its discretion, to allow further subscriptions into the Fund during the Investment Period.
Redemptions	<p>All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.</p> <p>Redemption requests will be executed on each Business Day.</p> <p>Shareholders will receive a gross redemption amount, based on the Price per Share and the applicable redemption charge.</p>
Switches	Switches will not be allowed from other Funds into this Fund, or out of this Fund into other Funds, unless otherwise decided by the Board of Directors or the Management Company.
Dealing Day	All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.
Dealing Request Deadline	<p>13.00 hours (Luxembourg time) on each Dealing Day.</p> <p>Redemption requests may be placed on each Business Day (up to the Dealing Request Deadline).</p>
Distribution Policy	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.

There will be a pro rata adjustment done on the distribution taking into account any partial redemption.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Counterparty
- Currency & exchange rate
- Securitised bonds
- Emerging markets
- Investment in funds
- Derivative instruments
- Fixed maturity fund
- Funds or Share Classes with Fixed Distributions
- Redemption charge
- Liquidity
- ESG Data
- Investments exclusions risk

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Single Charge (annual rate)	Initial Charge	Redemption Charge
W	Up to 0.60%	-	See the schedule below
WI	Up to 0.60%	-	See the schedule below
P	Up to 1.20%	-	See the schedule below
Z	-	-	See the schedule below
ZI	-	-	See the schedule below

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply in addition to the Single Charge.

Not all Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

Redemption Charge Schedule

Shareholders who redeem prior to the Fund’s maturity may be subject to redemption charges as follows:

Year	1	2	3	4	5	6
Redemption Charge	3.00%	2.50%	2.00%	1.50%	1.00%	0.50%

The Management Company or the Directors may reduce or waive the Redemption Charge amount in their sole discretion.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Fixed Maturity Bond Fund 5
Legal Entity Identifier: TBD

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
- Exclusionary approach: Percentage (%) of cash held with institutions or placed in money market funds below the Investment Manager's ESG quality threshold

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Prior to the period leading up to the Maturity Date, minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Investors should note that in the period leading up to the Maturity Date the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors and during this period the commitment to maintain a minimum level of sustainable investments will no longer apply.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



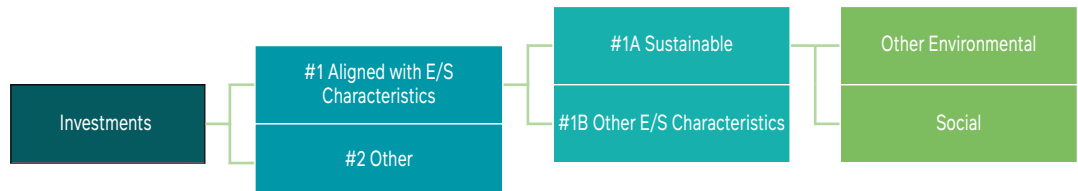
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

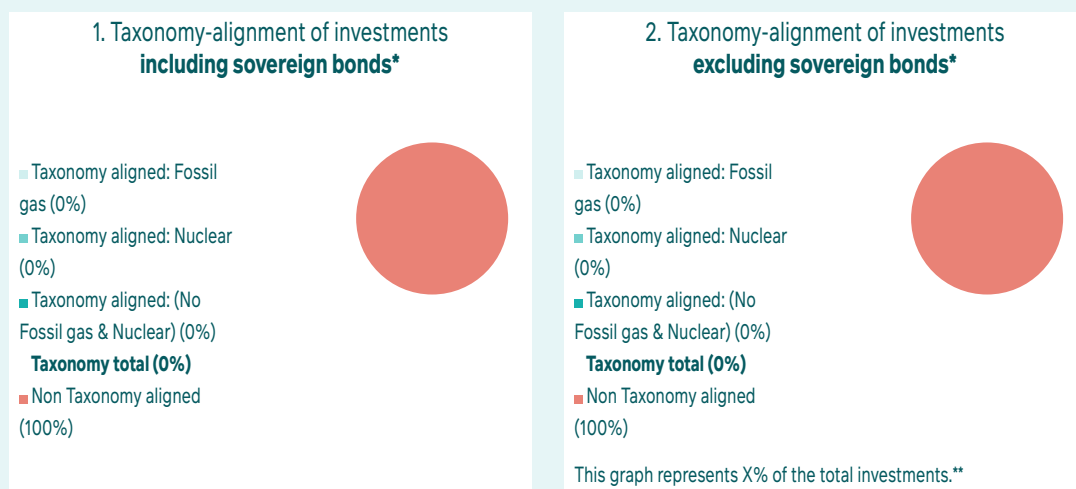
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%



- **What is the minimum share of socially sustainable investments?**
5%



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied where such instruments are held as “Other” investments.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics. It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Fixed Maturity Bond Fund

Launch Date	21 May 2024
Duration	The Fund is established for a fixed term of three (3) years from the launch date.
Investment Objective	The Fund aims to deliver total return (capital growth plus income) over the term of the Fund, while applying ESG criteria.
Investment Policy	<p>During the Investment Period as defined below, the Fund invests at least 60% of its Net Asset Value in investment grade debt securities. These securities can be issued or guaranteed by governments and public issuers, and companies. Issuers can be located anywhere in the world, including emerging markets. These securities can be denominated in any currency.</p> <p>The Fund may invest up to 40% in below investment grade and unrated debt securities.</p> <p>Unrated securities may be considered above or below investment grade in the opinion of the Investment Manager, but, for the purposes of this investment restriction, all unrated securities shall be aggregated with securities rated below investment grade.</p> <p>The Fund may also hold up to a maximum of 10% of its Net Asset Value in contingent convertible debt securities and up to a maximum of 10% of its Net Asset Value in asset-backed securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 40% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency.</p> <p>The Fund will typically invest directly. The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchanged traded futures, options, credit default swaps, and interest rate swaps and credit linked notes.</p> <p>In the period leading up to the Maturity Date, the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors. Consequently, the financial terms of the investment policy described herein may no longer be relevant in the 6 months preceding the Maturity Date. The precontractual annex to this Fund Supplement explains the way in which the Exclusionary Approach applies during this period.</p>

Investment Strategy**Investment Approach**

The Fund predominantly adopts a buy and maintain strategy, whereby the majority of the debt securities held within the Fund are expected to be held until maturity.

The investment process combines a bottom-up value focused approach and “top-down” macroeconomic, asset, sector and geographic considerations. The investment strategy aims to earn an attractive yield whilst balancing credit risk and diversification.

The Fund is diversified by investing in a range of individual issuers, sectors and geographies.

An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.

In the event that a debt security’s or an issuer’s credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Investment Manager’s ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

The Fund is actively managed and it has no benchmark.

Investors can assess the performance of the Fund by its objective to deliver total return (capital growth plus income) over the term of the Fund.

Product Structure

The Fund features distinct periods.

1 Initial Offer Period

The Fund will have an Initial Offer Period (the "IOP") when investors can make subscriptions prior to the launch of the Fund. The IOP will be determined by the Management Company.

At the end of the IOP, the Directors or the Management Company may determine, at their discretion and taking into account the interests of investors, that subscriptions received during the IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Directors or the Management Company may, at their discretion, either decide that the Fund will not proceed to launch or have a Pre-Investment Period (see below).

In case it is decided that the Fund will not proceed to launch, subscription amounts paid by investors through the IOP will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of each applicant, in accordance with the provisions of this Prospectus.

2 Pre-Investment Period

The Fund may have a pre-investment period (the “Pre-Investment Period”) following the first Net Asset Value calculation when investors can make further subscriptions, at the discretion of the Management Company.

The Pre-Investment Period will be determined by the Management Company and will not exceed three months following the Fund’s launch date.

During the Pre-Investment Period, the Fund will not be managed in accordance with its investment objective and investment policy and will instead hold cash and near cash. However, under no circumstances is it intended for the Fund to qualify as a money market fund within the meaning of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as amended, during this period.

At the end of the Pre-Investment Period, the Directors or the Management Company, may determine, at their discretion and taking into account the interests of Shareholders, that subscriptions received during the Pre-Investment Period and IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Management Company may decide that the Fund will not proceed to its Investment Period and may instead decide to liquidate the Fund. Such liquidation would be conducted in accordance with applicable laws and regulations and the terms of this Prospectus.

In case it is decided that the Fund will not proceed to its Investment Period but will be liquidated, 80% of the Single Charge charged during the Pre-Investment Period will be returned to the Shareholders.

3 Investment Period

During the investment period (the “Investment Period”) the Fund will be managed in accordance with its investment objective and investment policy.

The Directors or the Management Company may determine, at their discretion, to allow further subscriptions into the Fund during the Investment Period.

In the event of significant investor redemptions, the Directors or the Management Company reserve the right to close the Fund before the Maturity Date subject to the net assets of the Fund falling below a minimum viable level as determined by the Directors or by the Management Company.

4 Maturity Date

The Fund will be liquidated on the Maturity Date and Shares in the Fund will be compulsorily redeemed at the prevailing Net Asset Value per Share.

The Maturity Date may be deferred or brought forward by up to three months (or any other period notified in advance to the Shareholders) if the Directors believe that it is in the interest of Shareholders, notably to ensure a smooth liquidation.

Shareholders will be notified of such decision and will be given the possibility to redeem their Shares free of charge.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to earn an attractive yield over the term of the Fund, and is designed for those investors who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

The Fund is designed for investors who have an investment time horizon aligned with the fixed term of the Fund and are therefore prepared to remain invested until the Maturity Date.

Reference Currency	EUR.
Currency Hedged Share Classes	Currency Hedged Share Classes in this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Calculation of Global Exposure	Absolute VaR
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Subscriptions	Shares are typically only available for subscription during the IOP and during the Pre-Investment Period, if any. No subscription is permitted during the Investment Period, unless the Management Company should determine, at its discretion, to allow further subscriptions into the Fund during the Investment Period.
Redemptions	<p>All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.</p> <p>Redemption requests will be executed on each Business Day.</p> <p>Shareholders will receive a gross redemption amount, based on the Price per Share and the applicable redemption charge.</p>
Switches	Switches will not be allowed from other Funds into this Fund, or out of this Fund into other Funds, unless otherwise decided by the Board of Directors or the Management Company.
Dealing Day	All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.
Dealing Request Deadline	<p>13.00 hours (Luxembourg time) on each Dealing Day.</p> <p>Redemption requests may be placed on each Business Day (up to the Dealing Request Deadline).</p>
Distribution Policy	<p>If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.</p> <p>There will be a pro rata adjustment done on the distribution taking into account any partial redemption.</p>

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Counterparty
- Currency & exchange rate
- Securitised bonds
- Emerging markets
- Investment in funds
- Derivative instruments
- Fixed maturity fund
- Funds or Share Classes with Fixed Distributions
- Redemption charge
- Liquidity
- ESG Data
- Investments exclusions risk

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Single Charge (annual rate)	Initial Charge	Redemption Charge
W	Up to 0.60%	-	See the schedule below
WI	Up to 0.60%	-	See the schedule below
P	Up to 1.20%	-	See the schedule below
P2	Up to 1.20%	Up to 2.00%	See the schedule below
Z	-	-	See the schedule below
ZI	-	-	See the schedule below

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply in addition to the Single Charge.

Not all Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

Redemption Charge Schedule

Shareholders who redeem prior to the Fund’s maturity may be subject to redemption charges as follows:

Year	1	2	3	4	5	6
Redemption Charge	3.00%	2.50%	2.00%	1.50%	1.00%	0.50%

The Management Company or the Directors may reduce or waive the Redemption Charge amount in their sole discretion.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Fixed Maturity Bond Fund
Legal Entity Identifier: 2549004UT44ESAS5EJ65

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
- Exclusionary approach: Percentage (%) of cash held with institutions or placed in money market funds below the Investment Manager's ESG quality threshold

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Prior to the period leading up to the Maturity Date, minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Investors should note that in the period leading up to the Maturity Date the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors and during this period the commitment to maintain a minimum level of sustainable investments will no longer apply.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



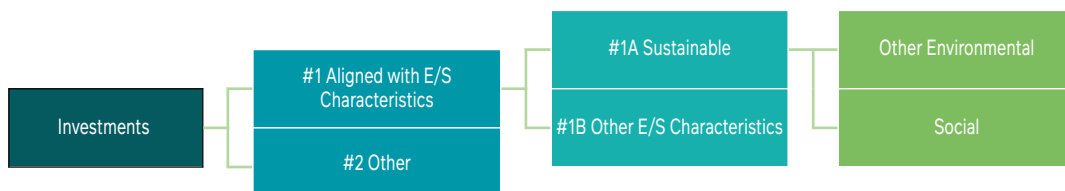
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

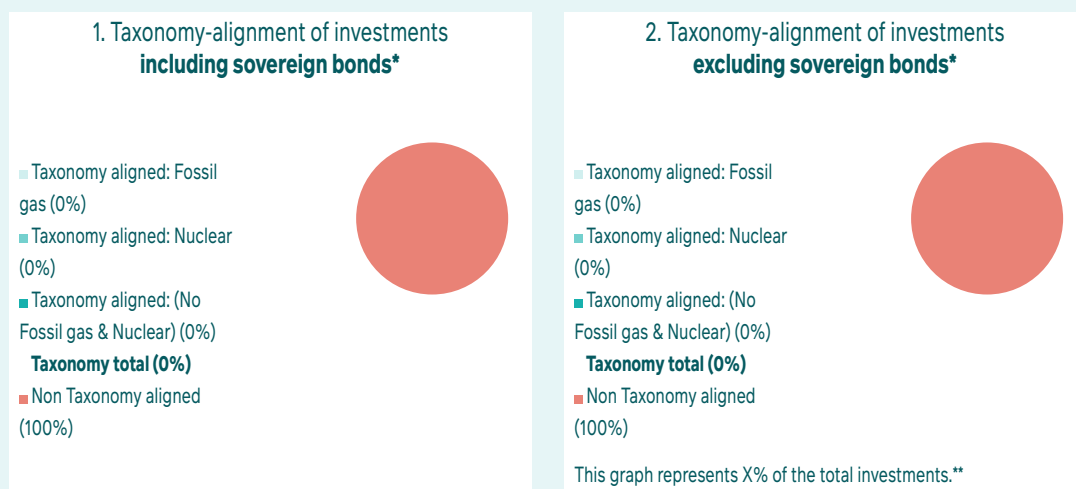
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%



- **What is the minimum share of socially sustainable investments?**
5%



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied where such instruments are held as “Other” investments.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics. It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Fixed Maturity Bond Fund 7

Launch Date	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the launch date will be disclosed here as soon as possible.
First Day of the Investment Period	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the First Day of the Investment Period will be disclosed here as soon as possible.
Duration	The Fund will be established for a fixed term of five (5) years from the First Day of the Investment Period, as defined below. The Maturity Date could change before launch by decision of the Board or of the Management Company, in which case the Prospectus will be updated before the launch date.
Investment Objective	The Fund aims to deliver total return (capital growth plus income) over the term of the Fund, while applying ESG criteria.
Investment Policy	<p>During the Investment Period as defined below, the Fund invests at least 50% of its Net Asset Value in investment grade debt securities. These securities can be issued or guaranteed by governments and public issuers, and companies. Issuers can be located anywhere in the world, including emerging markets. These securities can be denominated in any currency.</p> <p>The Fund may invest up to 50% in below investment grade and unrated debt securities.</p> <p>Unrated securities may be considered above or below investment grade in the opinion of the Investment Manager, but, for the purposes of this investment restriction, all unrated securities shall be aggregated with securities rated below investment grade.</p> <p>The Fund may also hold up to a maximum of 10% of its Net Asset Value in contingent convertible debt securities and up to a maximum of 10% of its Net Asset Value in asset-backed securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 50% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency.</p> <p>The Fund will typically invest directly. The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchanged traded futures, options, credit default swaps, and interest rate swaps and credit linked notes.</p>

In the period leading up to the Maturity Date, the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors. Consequently, the financial terms of the investment policy described herein may no longer be relevant in the 6 months preceding the Maturity Date. The precontractual annex to this Fund Supplement explains the way in which the Exclusionary Approach applies during this period.

Investment Strategy

Investment Approach

The Fund predominantly adopts a buy and maintain strategy, whereby the majority of the debt securities held within the Fund are expected to be held until maturity.

The investment process combines a bottom-up value focused approach and “top-down” macroeconomic, asset, sector and geographic considerations. The investment strategy aims to earn an attractive yield whilst balancing credit risk and diversification.

The Fund is diversified by investing in a range of individual issuers, sectors and geographies.

An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.

In the event that a debt security’s or an issuer’s credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Investment Manager’s ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

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The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

The Fund is actively managed and it has no benchmark.

Investors can assess the performance of the Fund by its objective to deliver total return (capital growth plus income) over the term of the Fund.

Product Structure

The Fund features distinct periods.

1 Initial Offer Period

The Fund will have an Initial Offer Period (the "IOP") when investors can make subscriptions prior to the launch of the Fund. The IOP will be determined by the Management Company.

At the end of the IOP, the Directors or the Management Company may determine, at their discretion and taking into account the interests of investors, that subscriptions received during the IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Directors or the Management Company may, at their discretion, either decide that the Fund will not proceed to launch or have a Pre-Investment Period (see below).

In case it is decided that the Fund will not proceed to launch, subscription amounts paid by investors through the IOP will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of each applicant, in accordance with the provisions of this Prospectus.

2 Pre-Investment Period

The Fund may have a pre-investment period (the “Pre-Investment Period”) following the first Net Asset Value calculation when investors can make further subscriptions, at the discretion of the Management Company.

The Pre-Investment Period will be determined by the Management Company and will not exceed three months following the Fund’s launch date.

During the Pre-Investment Period, the Fund will not be managed in accordance with its investment objective and investment policy and will instead hold cash and near cash. However, under no circumstances is it intended for the Fund to qualify as a money market fund within the meaning of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as amended, during this period.

At the end of the Pre-Investment Period, the Directors or the Management Company, may determine, at their discretion and taking into account the interests of Shareholders, that subscriptions received during the Pre-Investment Period and IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Management Company may decide that the Fund will not proceed to its Investment Period and may instead decide to liquidate the Fund. Such liquidation would be conducted in accordance with applicable laws and regulations and the terms of this Prospectus.

In case it is decided that the Fund will not proceed to its Investment Period but will be liquidated, 80% of the Single Charge charged during the Pre-Investment Period will be returned to the Shareholders.

3 Investment Period

During the investment period (the “Investment Period”) the Fund will be managed in accordance with its investment objective and investment policy.

The Directors or the Management Company may determine, at their discretion, to allow further subscriptions into the Fund during the Investment Period.

In the event of significant investor redemptions, the Directors or the Management Company reserve the right to close the Fund before the Maturity Date subject to the net assets of the Fund falling below a minimum viable level as determined by the Directors or by the Management Company.

4 Maturity Date

The Fund will be liquidated on the Maturity Date and Shares in the Fund will be compulsorily redeemed at the prevailing Net Asset Value per Share.

The Maturity Date may be deferred or brought forward by up to three months (or any other period notified in advance to the Shareholders) if the Directors believe that it is in the interest of Shareholders, notably to ensure a smooth liquidation. Shareholders will be notified of such decision and will be given the possibility to redeem their Shares free of charge.

Profile of Typical Investor	<p>The Fund is designed for retail and Institutional Investors seeking to earn an attractive yield over the term of the Fund, and is designed for those investors who have sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>The Fund is designed for investors who have an investment time horizon aligned with the fixed term of the Fund and are therefore prepared to remain invested until the Maturity Date.</p>
Reference Currency	EUR. The Fund's Reference Currency could change by decision of the Board or of the Management Company before launch, in which case the Prospectus will be updated before the launch date.
Currency Hedged Share Classes	Currency Hedged Share Classes in this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Calculation of Global Exposure	Absolute VaR
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Subscriptions	Shares are typically only available for subscription during the IOP and during the Pre-Investment Period, if any. No subscription is permitted during the Investment Period, unless the Management Company should determine, at its discretion, to allow further subscriptions into the Fund during the Investment Period.
Redemptions	<p>All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.</p> <p>Redemption requests will be executed on each Business Day.</p> <p>Shareholders will receive a gross redemption amount, based on the Price per Share and the applicable redemption charge.</p>
Switches	Switches will not be allowed from other Funds into this Fund, or out of this Fund into other Funds, unless otherwise decided by the Board of Directors or the Management Company.
Dealing Day	All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.
Dealing Request Deadline	<p>13.00 hours (Luxembourg time) on each Dealing Day.</p> <p>Redemption requests may be placed on each Business Day (up to the Dealing Request Deadline).</p>

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.

There will be a pro rata adjustment done on the distribution taking into account any partial redemption.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Counterparty
- Currency & exchange rate
- Securitised bonds
- Emerging markets
- Investment in funds
- Derivative instruments
- Fixed maturity fund
- Funds or Share Classes with Fixed Distributions
- Redemption charge
- Liquidity
- ESG Data
- Investments exclusions risk

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Single Charge (annual rate)	Initial Charge	Redemption Charge
W	Up to 0.60%	-	See the schedule below
WI	Up to 0.60%	-	See the schedule below
P	Up to 1.20%	-	See the schedule below
Z	-	-	See the schedule below
ZI	-	-	See the schedule below

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply in addition to the Single Charge.

Not all Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

Redemption Charge Schedule

Shareholders who redeem prior to the Fund’s maturity may be subject to redemption charges as follows:

Year	1	2	3	4	5	6
Redemption Charge	3.00%	2.50%	2.00%	1.50%	1.00%	0.50%

The Management Company or the Directors may reduce or waive the Redemption Charge amount in their sole discretion.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Fixed Maturity Bond Fund 7
Legal Entity Identifier: TBD

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
- Exclusionary approach: Percentage (%) of cash held with institutions or placed in money market funds below the Investment Manager's ESG quality threshold

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Prior to the period leading up to the Maturity Date, minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Investors should note that in the period leading up to the Maturity Date the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors and during this period the commitment to maintain a minimum level of sustainable investments will no longer apply.

● What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



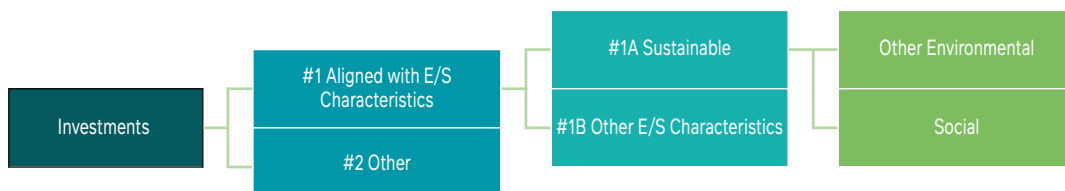
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

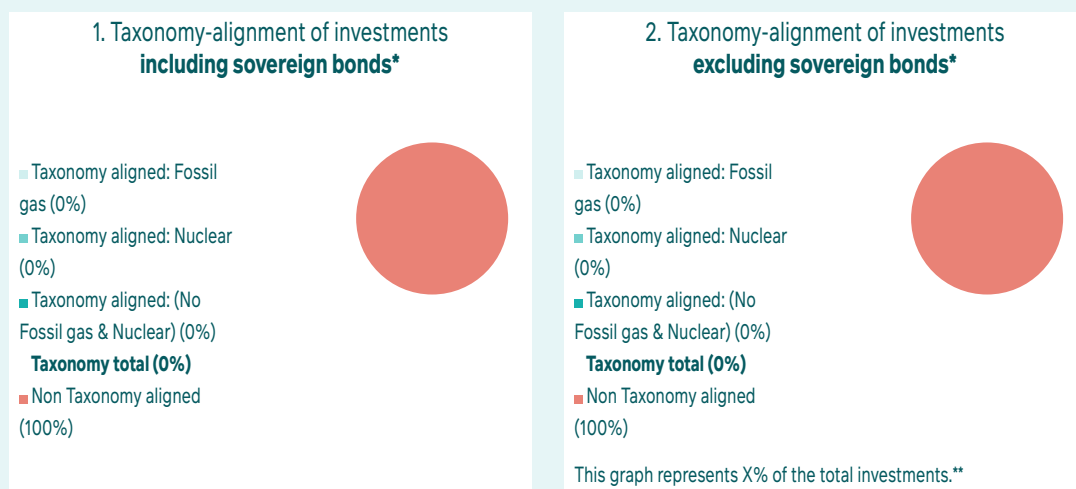
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%



- **What is the minimum share of socially sustainable investments?**
5%



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied where such instruments are held as “Other” investments.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics. It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Fixed Maturity Bond Fund 8

Launch Date	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the launch date will be disclosed here as soon as possible.
First Day of the Investment Period	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the First Day of the Investment Period will be disclosed here as soon as possible.
Duration	The Fund will be established for a fixed term of five (5) years from the First Day of the Investment Period, as defined below. The Maturity Date could change before launch by decision of the Board or of the Management Company, in which case the Prospectus will be updated before the launch date.
Investment Objective	The Fund aims to deliver total return (capital growth plus income) over the term of the Fund, while applying ESG criteria.
Investment Policy	<p>During the Investment Period as defined below, the Fund invests at least 80% of its Net Asset Value in investment grade debt securities. These securities can be issued or guaranteed by governments and public issuers, and companies. Issuers can be located anywhere in the world, including emerging markets. These securities can be denominated in any currency.</p> <p>The Fund may invest up to 20% in below investment grade and unrated debt securities.</p> <p>Unrated securities may be considered above or below investment grade in the opinion of the Investment Manager, but, for the purposes of this investment restriction, all unrated securities shall be aggregated with securities rated below investment grade.</p> <p>The Fund may also hold up to a maximum of 10% of its Net Asset Value in contingent convertible debt securities and up to a maximum of 10% of its Net Asset Value in asset-backed securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency.</p> <p>The Fund will typically invest directly. The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchanged traded futures, options, credit default swaps, and interest rate swaps and credit linked notes.</p>

In the period leading up to the Maturity Date, the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors. Consequently, the financial terms of the investment policy described herein may no longer be relevant in the 6 months preceding the Maturity Date. The precontractual annex to this Fund Supplement explains the way in which the Exclusionary Approach applies during this period.

Investment Strategy

Investment Approach

The Fund predominantly adopts a buy and maintain strategy, whereby the majority of the debt securities held within the Fund are expected to be held until maturity.

The investment process combines a bottom-up value focused approach and “top-down” macroeconomic, asset, sector and geographic considerations. The investment strategy aims to earn an attractive yield whilst balancing credit risk and diversification.

The Fund is diversified by investing in a range of individual issuers, sectors and geographies.

An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.

In the event that a debt security’s or an issuer’s credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Investment Manager’s ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

The Fund is actively managed and it has no benchmark.

Investors can assess the performance of the Fund by its objective to deliver total return (capital growth plus income) over the term of the Fund.

Product Structure

The Fund features distinct periods.

1 Initial Offer Period

The Fund will have an Initial Offer Period (the "IOP") when investors can make subscriptions prior to the launch of the Fund. The IOP will be determined by the Management Company.

At the end of the IOP, the Directors or the Management Company may determine, at their discretion and taking into account the interests of investors, that subscriptions received during the IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Directors or the Management Company may, at their discretion, either decide that the Fund will not proceed to launch or have a Pre-Investment Period (see below).

In case it is decided that the Fund will not proceed to launch, subscription amounts paid by investors through the IOP will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of each applicant, in accordance with the provisions of this Prospectus.

2 Pre-Investment Period

The Fund may have a pre-investment period (the “Pre-Investment Period”) following the first Net Asset Value calculation when investors can make further subscriptions, at the discretion of the Management Company.

The Pre-Investment Period will be determined by the Management Company and will not exceed three months following the Fund’s launch date.

During the Pre-Investment Period, the Fund will not be managed in accordance with its investment objective and investment policy and will instead hold cash and near cash. However, under no circumstances is it intended for the Fund to qualify as a money market fund within the meaning of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as amended, during this period.

At the end of the Pre-Investment Period, the Directors or the Management Company, may determine, at their discretion and taking into account the interests of Shareholders, that subscriptions received during the Pre-Investment Period and IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Management Company may decide that the Fund will not proceed to its Investment Period and may instead decide to liquidate the Fund. Such liquidation would be conducted in accordance with applicable laws and regulations and the terms of this Prospectus.

In case it is decided that the Fund will not proceed to its Investment Period but will be liquidated, 80% of the Single Charge charged during the Pre-Investment Period will be returned to the Shareholders.

3 Investment Period

During the investment period (the “Investment Period”) the Fund will be managed in accordance with its investment objective and investment policy.

The Directors or the Management Company may determine, at their discretion, to allow further subscriptions into the Fund during the Investment Period.

In the event of significant investor redemptions, the Directors or the Management Company reserve the right to close the Fund before the Maturity Date subject to the net assets of the Fund falling below a minimum viable level as determined by the Directors or by the Management Company.

4 Maturity Date

The Fund will be liquidated on the Maturity Date and Shares in the Fund will be compulsorily redeemed at the prevailing Net Asset Value per Share.

The Maturity Date may be deferred or brought forward by up to three months (or any other period notified in advance to the Shareholders) if the Directors believe that it is in the interest of Shareholders, notably to ensure a smooth liquidation. Shareholders will be notified of such decision and will be given the possibility to redeem their Shares free of charge.

Profile of Typical Investor	<p>The Fund is designed for retail and Institutional Investors seeking to earn an attractive yield over the term of the Fund, and is designed for those investors who have sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>The Fund is designed for investors who have an investment time horizon aligned with the fixed term of the Fund and are therefore prepared to remain invested until the Maturity Date.</p>
Reference Currency	EUR. The Fund's Reference Currency could change by decision of the Board or of the Management Company before launch, in which case the Prospectus will be updated before the launch date.
Currency Hedged Share Classes	Currency Hedged Share Classes in this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Calculation of Global Exposure	Absolute VaR
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Subscriptions	Shares are typically only available for subscription during the IOP and during the Pre-Investment Period, if any. No subscription is permitted during the Investment Period, unless the Management Company should determine, at its discretion, to allow further subscriptions into the Fund during the Investment Period.
Redemptions	<p>All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.</p> <p>Redemption requests will be executed on each Business Day.</p> <p>Shareholders will receive a gross redemption amount, based on the Price per Share and the applicable redemption charge.</p>
Switches	Switches will not be allowed from other Funds into this Fund, or out of this Fund into other Funds, unless otherwise decided by the Board of Directors or the Management Company.
Dealing Day	All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.
Dealing Request Deadline	<p>13.00 hours (Luxembourg time) on each Dealing Day.</p> <p>Redemption requests may be placed on each Business Day (up to the Dealing Request Deadline).</p>

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.

There will be a pro rata adjustment done on the distribution taking into account any partial redemption.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Counterparty
- Currency & exchange rate
- Securitised bonds
- Emerging markets
- Investment in funds
- Derivative instruments
- Fixed maturity fund
- Funds or Share Classes with Fixed Distributions
- Redemption charge
- Liquidity
- ESG Data
- Investments exclusions risk

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Single Charge (annual rate)	Initial Charge	Redemption Charge
W	Up to 0.60%	-	See the schedule below
WI	Up to 0.60%	-	See the schedule below
P	Up to 1.20%	-	See the schedule below
Z	-	-	See the schedule below
ZI	-	-	See the schedule below

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply in addition to the Single Charge.

Not all Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

Redemption Charge Schedule

Shareholders who redeem prior to the Fund’s maturity may be subject to redemption charges as follows:

Year	1	2	3	4	5	6
Redemption Charge	3.00%	2.50%	2.00%	1.50%	1.00%	0.50%

The Management Company or the Directors may reduce or waive the Redemption Charge amount in their sole discretion.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Fixed Maturity Bond Fund 8
Legal Entity Identifier: TBD

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
- Exclusionary approach: Percentage (%) of cash held with institutions or placed in money market funds below the Investment Manager's ESG quality threshold

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Prior to the period leading up to the Maturity Date, minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Investors should note that in the period leading up to the Maturity Date the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors and during this period the commitment to maintain a minimum level of sustainable investments will no longer apply.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



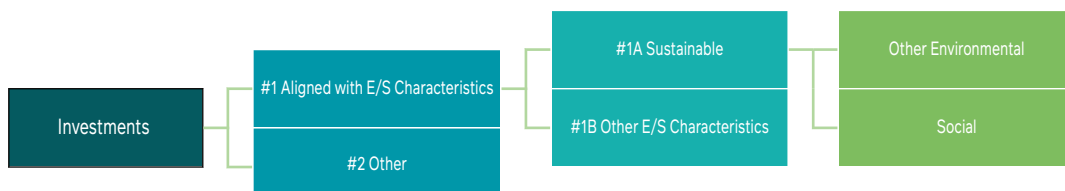
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

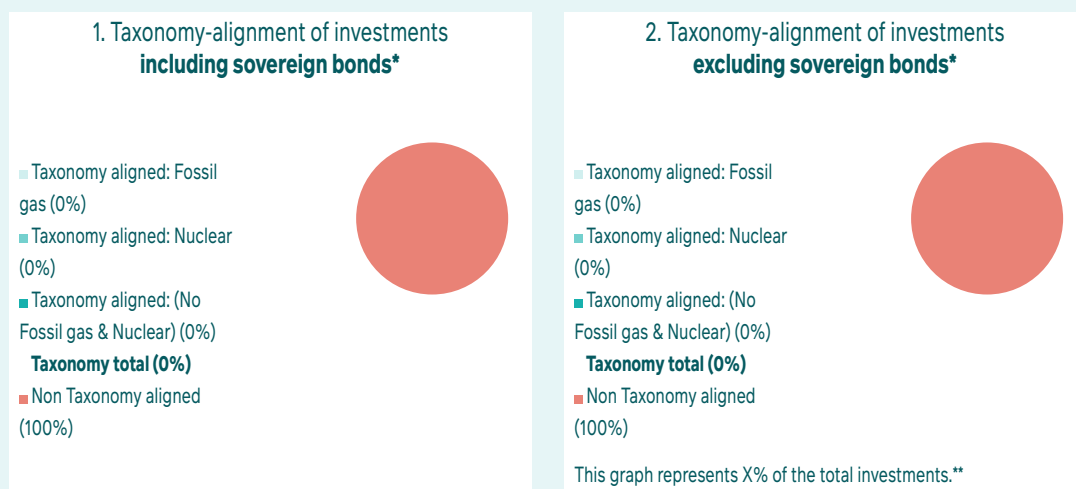
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%



- **What is the minimum share of socially sustainable investments?**
5%



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied where such instruments are held as “Other” investments.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics. It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Fixed Maturity Bond Fund 9

Launch Date	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the launch date will be disclosed here as soon as possible.
First Day of the Investment Period	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the First Day of the Investment Period will be disclosed here as soon as possible.
Duration	The Fund will be established for a fixed term of five (5) years from the First Day of the Investment Period, as defined below. The Maturity Date could change before launch by decision of the Board or of the Management Company, in which case the Prospectus will be updated before the launch date.
Investment Objective	The Fund aims to deliver total return (capital growth plus income) over the term of the Fund, while applying ESG criteria.
Investment Policy	<p>During the Investment Period as defined below, the Fund invests at least 70% of its Net Asset Value in investment grade debt securities. These securities can be issued or guaranteed by governments and public issuers, and companies. Issuers can be located anywhere in the world, including emerging markets. These securities can be denominated in any currency.</p> <p>The Fund may invest up to 30% in below investment grade and unrated debt securities.</p> <p>Unrated securities may be considered above or below investment grade in the opinion of the Investment Manager, but, for the purposes of this investment restriction, all unrated securities shall be aggregated with securities rated below investment grade.</p> <p>The Fund may also hold up to a maximum of 10% of its Net Asset Value in contingent convertible debt securities and up to a maximum of 10% of its Net Asset Value in asset-backed securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 30% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency.</p> <p>The Fund will typically invest directly. The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchanged traded futures, options, credit default swaps, and interest rate swaps and credit linked notes.</p>

In the period leading up to the Maturity Date, the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors. Consequently, the financial terms of the investment policy described herein may no longer be relevant in the 6 months preceding the Maturity Date. The precontractual annex to this Fund Supplement explains the way in which the Exclusionary Approach applies during this period.

Investment Strategy

Investment Approach

The Fund predominantly adopts a buy and maintain strategy, whereby the majority of the debt securities held within the Fund are expected to be held until maturity.

The investment process combines a bottom-up value focused approach and “top-down” macroeconomic, asset, sector and geographic considerations. The investment strategy aims to earn an attractive yield whilst balancing credit risk and diversification.

The Fund is diversified by investing in a range of individual issuers, sectors and geographies.

An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.

In the event that a debt security’s or an issuer’s credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Investment Manager’s ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

The Fund is actively managed and it has no benchmark.

Investors can assess the performance of the Fund by its objective to deliver total return (capital growth plus income) over the term of the Fund.

Product Structure

The Fund features distinct periods.

1 Initial Offer Period

The Fund will have an Initial Offer Period (the "IOP") when investors can make subscriptions prior to the launch of the Fund. The IOP will be determined by the Management Company.

At the end of the IOP, the Directors or the Management Company may determine, at their discretion and taking into account the interests of investors, that subscriptions received during the IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Directors or the Management Company may, at their discretion, either decide that the Fund will not proceed to launch or have a Pre-Investment Period (see below).

In case it is decided that the Fund will not proceed to launch, subscription amounts paid by investors through the IOP will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of each applicant, in accordance with the provisions of this Prospectus.

2 Pre-Investment Period

The Fund may have a pre-investment period (the “Pre-Investment Period”) following the first Net Asset Value calculation when investors can make further subscriptions, at the discretion of the Management Company.

The Pre-Investment Period will be determined by the Management Company and will not exceed three months following the Fund’s launch date.

During the Pre-Investment Period, the Fund will not be managed in accordance with its investment objective and investment policy and will instead hold cash and near cash. However, under no circumstances is it intended for the Fund to qualify as a money market fund within the meaning of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as amended, during this period.

At the end of the Pre-Investment Period, the Directors or the Management Company, may determine, at their discretion and taking into account the interests of Shareholders, that subscriptions received during the Pre-Investment Period and IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Management Company may decide that the Fund will not proceed to its Investment Period and may instead decide to liquidate the Fund. Such liquidation would be conducted in accordance with applicable laws and regulations and the terms of this Prospectus.

In case it is decided that the Fund will not proceed to its Investment Period but will be liquidated, 80% of the Single Charge charged during the Pre-Investment Period will be returned to the Shareholders.

3 Investment Period

During the investment period (the “Investment Period”) the Fund will be managed in accordance with its investment objective and investment policy.

The Directors or the Management Company may determine, at their discretion, to allow further subscriptions into the Fund during the Investment Period.

In the event of significant investor redemptions, the Directors or the Management Company reserve the right to close the Fund before the Maturity Date subject to the net assets of the Fund falling below a minimum viable level as determined by the Directors or by the Management Company.

4 Maturity Date

The Fund will be liquidated on the Maturity Date and Shares in the Fund will be compulsorily redeemed at the prevailing Net Asset Value per Share.

The Maturity Date may be deferred or brought forward by up to three months (or any other period notified in advance to the Shareholders) if the Directors believe that it is in the interest of Shareholders, notably to ensure a smooth liquidation.

	Shareholders will be notified of such decision and will be given the possibility to redeem their Shares free of charge.
Profile of Typical Investor	<p>The Fund is designed for retail and Institutional Investors seeking to earn an attractive yield over the term of the Fund, and is designed for those investors who have sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>The Fund is designed for investors who have an investment time horizon aligned with the fixed term of the Fund and are therefore prepared to remain invested until the Maturity Date.</p>
Reference Currency	EUR. The Fund's Reference Currency could change by decision of the Board or of the Management Company before launch, in which case the Prospectus will be updated before the launch date.
Currency Hedged Share Classes	Currency Hedged Share Classes in this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Calculation of Global Exposure	Absolute VaR
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Subscriptions	Shares are typically only available for subscription during the IOP and during the Pre-Investment Period, if any. No subscription is permitted during the Investment Period, unless the Management Company should determine, at its discretion, to allow further subscriptions into the Fund during the Investment Period.
Redemptions	<p>All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.</p> <p>Redemption requests will be executed on each Business Day.</p> <p>Shareholders will receive a gross redemption amount, based on the Price per Share and the applicable redemption charge.</p>
Switches	Switches will not be allowed from other Funds into this Fund, or out of this Fund into other Funds, unless otherwise decided by the Board of Directors or the Management Company.
Dealing Day	All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.
Dealing Request Deadline	13.00 hours (Luxembourg time) on each Dealing Day.

Redemption requests may be placed on each Business Day (up to the Dealing Request Deadline).

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.

There will be a pro rata adjustment done on the distribution taking into account any partial redemption.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Counterparty
- Currency & exchange rate
- Securitised bonds
- Emerging markets
- Investment in funds
- Derivative instruments
- Fixed maturity fund
- Funds or Share Classes with Fixed Distributions
- Redemption charge
- Liquidity
- ESG Data
- Investments exclusions risk

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Single Charge (annual rate)	Initial Charge	Redemption Charge
W	Up to 0.60%	-	See the schedule below
WI	Up to 0.60%	-	See the schedule below
P	Up to 1.20%	-	See the schedule below
Z	-	-	See the schedule below
ZI	-	-	See the schedule below

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply in addition to the Single Charge.

Not all Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

Redemption Charge Schedule

Shareholders who redeem prior to the Fund's maturity may be subject to redemption charges as follows:

Year	1	2	3	4	5	6
Redemption Charge	3.00%	2.50%	2.00%	1.50%	1.00%	0.50%

The Management Company or the Directors may reduce or waive the Redemption Charge amount in their sole discretion.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Fixed Maturity Bond Fund 9
Legal Entity Identifier: TBD

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
- Exclusionary approach: Percentage (%) of cash held with institutions or placed in money market funds below the Investment Manager's ESG quality threshold

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Prior to the period leading up to the Maturity Date, minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Investors should note that in the period leading up to the Maturity Date the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors and during this period the commitment to maintain a minimum level of sustainable investments will no longer apply.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



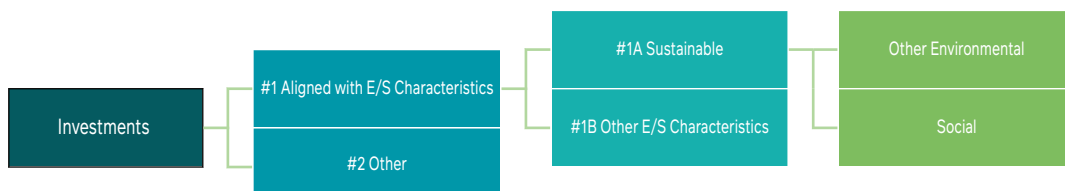
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

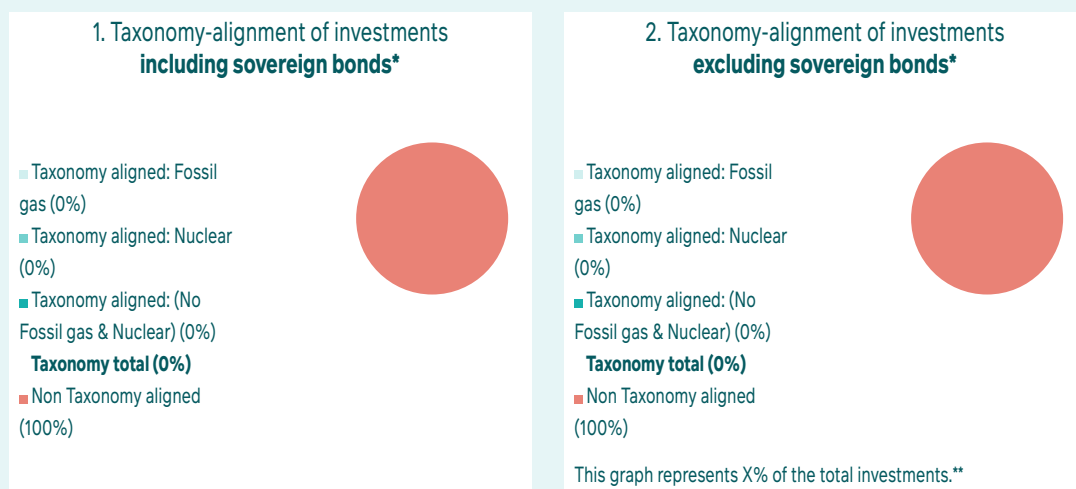
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



- What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%



- What is the minimum share of socially sustainable investments?**
5%



- What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied where such instruments are held as “Other” investments.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics. It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Fixed Maturity Bond Fund 10

Launch Date	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the launch date will be disclosed here as soon as possible.
First Day of the Investment Period	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the First Day of the Investment Period will be disclosed here as soon as possible.
Duration	The Fund will be established for a fixed term of five (5) years from the First Day of the Investment Period, as defined below. The Maturity Date could change before launch by decision of the Board or of the Management Company, in which case the Prospectus will be updated before the launch date.
Investment Objective	The Fund aims to deliver total return (capital growth plus income) over the term of the Fund, while applying ESG criteria.
Investment Policy	<p>During the Investment Period as defined below, the Fund invests at least 65% of its Net Asset Value in investment grade debt securities. These securities can be issued or guaranteed by governments and public issuers, and companies. Issuers can be located anywhere in the world, including emerging markets. These securities can be denominated in any currency.</p> <p>The Fund may invest up to 35% in below investment grade and unrated debt securities.</p> <p>Unrated securities may be considered above or below investment grade in the opinion of the Investment Manager, but, for the purposes of this investment restriction, all unrated securities shall be aggregated with securities rated below investment grade.</p> <p>The Fund may also hold up to a maximum of 10% of its Net Asset Value in contingent convertible debt securities and up to a maximum of 10% of its Net Asset Value in asset-backed securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 35% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency.</p> <p>The Fund will typically invest directly. The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchanged traded futures, options, credit default swaps, and interest rate swaps and credit linked notes.</p>

In the period leading up to the Maturity Date, the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors. Consequently, the financial terms of the investment policy described herein may no longer be relevant in the 6 months preceding the Maturity Date. The precontractual annex to this Fund Supplement explains the way in which the Exclusionary Approach applies during this period.

Investment Strategy

Investment Approach

The Fund predominantly adopts a buy and maintain strategy, whereby the majority of the debt securities held within the Fund are expected to be held until maturity.

The investment process combines a bottom-up value focused approach and “top-down” macroeconomic, asset, sector and geographic considerations. The investment strategy aims to earn an attractive yield whilst balancing credit risk and diversification.

The Fund is diversified by investing in a range of individual issuers, sectors and geographies.

An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.

In the event that a debt security’s or an issuer’s credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Investment Manager’s ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

The Fund is actively managed and it has no benchmark.

Investors can assess the performance of the Fund by its objective to deliver total return (capital growth plus income) over the term of the Fund.

Product Structure

The Fund features distinct periods.

1 Initial Offer Period

The Fund will have an Initial Offer Period (the "IOP") when investors can make subscriptions prior to the launch of the Fund. The IOP will be determined by the Management Company.

At the end of the IOP, the Directors or the Management Company may determine, at their discretion and taking into account the interests of investors, that subscriptions received during the IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Directors or the Management Company may, at their discretion, either decide that the Fund will not proceed to launch or have a Pre-Investment Period (see below).

In case it is decided that the Fund will not proceed to launch, subscription amounts paid by investors through the IOP will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of each applicant, in accordance with the provisions of this Prospectus.

2 Pre-Investment Period

The Fund may have a pre-investment period (the “Pre-Investment Period”) following the first Net Asset Value calculation when investors can make further subscriptions, at the discretion of the Management Company.

The Pre-Investment Period will be determined by the Management Company and will not exceed three months following the Fund’s launch date.

During the Pre-Investment Period, the Fund will not be managed in accordance with its investment objective and investment policy and will instead hold cash and near cash. However, under no circumstances is it intended for the Fund to qualify as a money market fund within the meaning of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as amended, during this period.

At the end of the Pre-Investment Period, the Directors or the Management Company, may determine, at their discretion and taking into account the interests of Shareholders, that subscriptions received during the Pre-Investment Period and IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Management Company may decide that the Fund will not proceed to its Investment Period and may instead decide to liquidate the Fund. Such liquidation would be conducted in accordance with applicable laws and regulations and the terms of this Prospectus.

In case it is decided that the Fund will not proceed to its Investment Period but will be liquidated, 80% of the Single Charge charged during the Pre-Investment Period will be returned to the Shareholders.

3 Investment Period

During the investment period (the “Investment Period”) the Fund will be managed in accordance with its investment objective and investment policy.

The Directors or the Management Company may determine, at their discretion, to allow further subscriptions into the Fund during the Investment Period.

In the event of significant investor redemptions, the Directors or the Management Company reserve the right to close the Fund before the Maturity Date subject to the net assets of the Fund falling below a minimum viable level as determined by the Directors or by the Management Company.

4 Maturity Date

The Fund will be liquidated on the Maturity Date and Shares in the Fund will be compulsorily redeemed at the prevailing Net Asset Value per Share.

The Maturity Date may be deferred or brought forward by up to three months (or any other period notified in advance to the Shareholders) if the Directors believe that it is in the interest of Shareholders, notably to ensure a smooth liquidation.

	Shareholders will be notified of such decision and will be given the possibility to redeem their Shares free of charge.
Profile of Typical Investor	<p>The Fund is designed for retail and Institutional Investors seeking to earn an attractive yield over the term of the Fund, and is designed for those investors who have sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>The Fund is designed for investors who have an investment time horizon aligned with the fixed term of the Fund and are therefore prepared to remain invested until the Maturity Date.</p>
Reference Currency	EUR. The Fund's Reference Currency could change by decision of the Board or of the Management Company before launch, in which case the Prospectus will be updated before the launch date.
Currency Hedged Share Classes	Currency Hedged Share Classes in this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Calculation of Global Exposure	Absolute VaR
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Subscriptions	Shares are typically only available for subscription during the IOP and during the Pre-Investment Period, if any. No subscription is permitted during the Investment Period, unless the Management Company should determine, at its discretion, to allow further subscriptions into the Fund during the Investment Period.
Redemptions	<p>All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.</p> <p>Redemption requests will be executed on each Business Day.</p> <p>Shareholders will receive a gross redemption amount, based on the Price per Share and the applicable redemption charge.</p>
Switches	Switches will not be allowed from other Funds into this Fund, or out of this Fund into other Funds, unless otherwise decided by the Board of Directors or the Management Company.
Dealing Day	All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.
Dealing Request Deadline	13.00 hours (Luxembourg time) on each Dealing Day.

Redemption requests may be placed on each Business Day (up to the Dealing Request Deadline).

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.

There will be a pro rata adjustment done on the distribution taking into account any partial redemption.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Counterparty
- Currency & exchange rate
- Securitised bonds
- Emerging markets
- Investment in funds
- Derivative instruments
- Fixed maturity fund
- Funds or Share Classes with Fixed Distributions
- Redemption charge
- Liquidity
- ESG Data
- Investments exclusions risk

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Single Charge (annual rate)	Initial Charge	Redemption Charge
W	Up to 0.60%	-	See the schedule below
WI	Up to 0.60%	-	See the schedule below
P	Up to 1.20%	-	See the schedule below
Z	-	-	See the schedule below
ZI	-	-	See the schedule below

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply in addition to the Single Charge.

Not all Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

Redemption Charge Schedule

Shareholders who redeem prior to the Fund's maturity may be subject to redemption charges as follows:

Year	1	2	3	4	5	6
Redemption Charge	3.00%	2.50%	2.00%	1.50%	1.00%	0.50%

The Management Company or the Directors may reduce or waive the Redemption Charge amount in their sole discretion.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Fixed Maturity Bond Fund 10
Legal Entity Identifier: TBD

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
- Exclusionary approach: Percentage (%) of cash held with institutions or placed in money market funds below the Investment Manager's ESG quality threshold

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Prior to the period leading up to the Maturity Date, minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Investors should note that in the period leading up to the Maturity Date the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors and during this period the commitment to maintain a minimum level of sustainable investments will no longer apply.

● What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



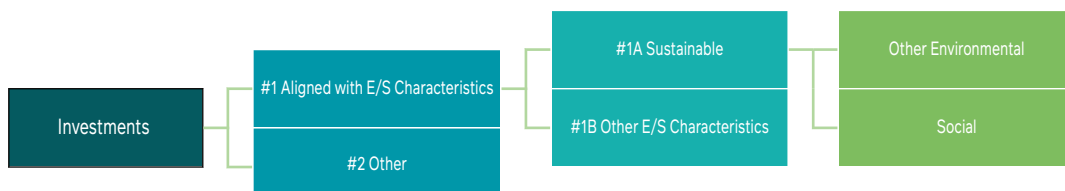
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

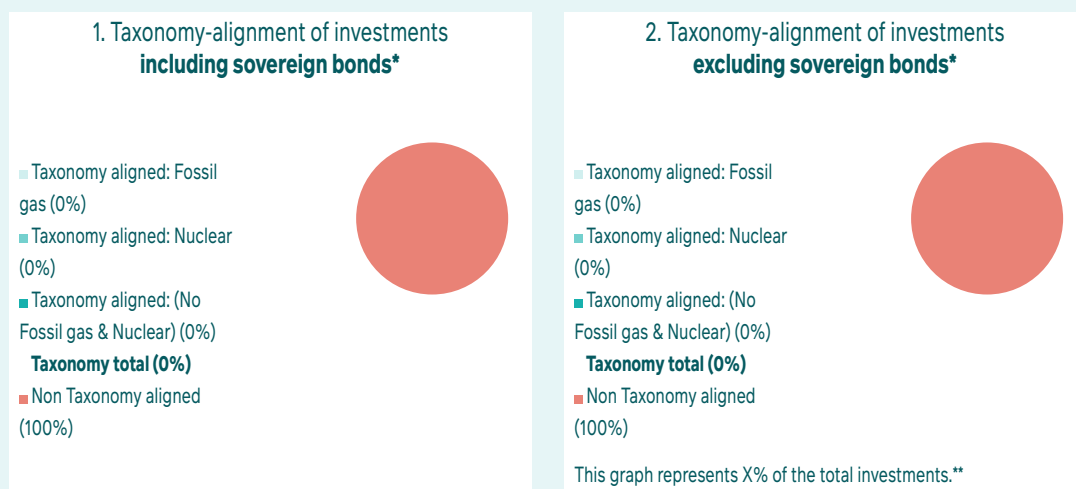
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%



- **What is the minimum share of socially sustainable investments?**
5%



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied where such instruments are held as “Other” investments.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics. It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Fixed Maturity Bond Fund 11

Launch Date	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the launch date will be disclosed here as soon as possible.
First Day of the Investment Period	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the First Day of the Investment Period will be disclosed here as soon as possible.
Duration	The Fund will be established for a fixed term of three (3) years from the First Day of the Investment Period, as defined below. The Maturity Date could change before launch by decision of the Board or of the Management Company, in which case the Prospectus will be updated before the launch date.
Investment Objective	The Fund aims to deliver total return (capital growth plus income) over the term of the Fund, while applying ESG criteria.
Investment Policy	<p>During the Investment Period as defined below, the Fund invests at least 60% of its Net Asset Value in investment grade debt securities. These securities can be issued or guaranteed by governments and public issuers, and companies. Issuers can be located anywhere in the world, including emerging markets. These securities can be denominated in any currency.</p> <p>The Fund may invest up to 40% in below investment grade and unrated debt securities.</p> <p>Unrated securities may be considered above or below investment grade in the opinion of the Investment Manager, but, for the purposes of this investment restriction, all unrated securities shall be aggregated with securities rated below investment grade.</p> <p>The Fund may also hold up to a maximum of 10% of its Net Asset Value in contingent convertible debt securities and up to a maximum of 10% of its Net Asset Value in asset-backed securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 40% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency.</p> <p>The Fund will typically invest directly. The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchanged traded futures, options, credit default swaps, and interest rate swaps and credit linked notes.</p>

In the period leading up to the Maturity Date, the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors. Consequently, the financial terms of the investment policy described herein may no longer be relevant in the 6 months preceding the Maturity Date. The precontractual annex to this Fund Supplement explains the way in which the Exclusionary Approach applies during this period.

Investment Strategy

Investment Approach

The Fund predominantly adopts a buy and maintain strategy, whereby the majority of the debt securities held within the Fund are expected to be held until maturity.

The investment process combines a bottom-up value focused approach and “top-down” macroeconomic, asset, sector and geographic considerations. The investment strategy aims to earn an attractive yield whilst balancing credit risk and diversification.

The Fund is diversified by investing in a range of individual issuers, sectors and geographies.

An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.

In the event that a debt security’s or an issuer’s credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Investment Manager’s ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

The Fund is actively managed and it has no benchmark.

Investors can assess the performance of the Fund by its objective to deliver total return (capital growth plus income) over the term of the Fund.

Product Structure

The Fund features distinct periods.

1 Initial Offer Period

The Fund will have an Initial Offer Period (the "IOP") when investors can make subscriptions prior to the launch of the Fund. The IOP will be determined by the Management Company.

At the end of the IOP, the Directors or the Management Company may determine, at their discretion and taking into account the interests of investors, that subscriptions received during the IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Directors or the Management Company may, at their discretion, either decide that the Fund will not proceed to launch or have a Pre-Investment Period (see below).

In case it is decided that the Fund will not proceed to launch, subscription amounts paid by investors through the IOP will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of each applicant, in accordance with the provisions of this Prospectus.

2 Pre-Investment Period

The Fund may have a pre-investment period (the “Pre-Investment Period”) following the first Net Asset Value calculation when investors can make further subscriptions, at the discretion of the Management Company.

The Pre-Investment Period will be determined by the Management Company and will not exceed three months following the Fund’s launch date.

During the Pre-Investment Period, the Fund will not be managed in accordance with its investment objective and investment policy and will instead hold cash and near cash. However, under no circumstances is it intended for the Fund to qualify as a money market fund within the meaning of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as amended, during this period.

At the end of the Pre-Investment Period, the Directors or the Management Company, may determine, at their discretion and taking into account the interests of Shareholders, that subscriptions received during the Pre-Investment Period and IOP are insufficient to build up the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Management Company may decide that the Fund will not proceed to its Investment Period and may instead decide to liquidate the Fund. Such liquidation would be conducted in accordance with applicable laws and regulations and the terms of this Prospectus.

In case it is decided that the Fund will not proceed to its Investment Period but will be liquidated, 80% of the Single Charge charged during the Pre-Investment Period will be returned to the Shareholders.

3 Investment Period

During the investment period (the “Investment Period”) the Fund will be managed in accordance with its investment objective and investment policy.

The Directors or the Management Company may determine, at their discretion, to allow further subscriptions into the Fund during the Investment Period.

In the event of significant investor redemptions, the Directors or the Management Company reserve the right to close the Fund before the Maturity Date subject to the net assets of the Fund falling below a minimum viable level as determined by the Directors or by the Management Company.

4 Maturity Date

The Fund will be liquidated on the Maturity Date and Shares in the Fund will be compulsorily redeemed at the prevailing Net Asset Value per Share.

The Maturity Date may be deferred or brought forward by up to three months (or any other period notified in advance to the Shareholders) if the Directors believe that it is in the interest of Shareholders, notably to ensure a smooth liquidation.

Shareholders will be notified of such decision and will be given the possibility to redeem their Shares free of charge.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to earn an attractive yield over the term of the Fund, and is designed for those investors who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

The Fund is designed for investors who have an investment time horizon aligned with the fixed term of the Fund and are therefore prepared to remain invested until the Maturity Date.

Reference Currency

EUR. The Fund's Reference Currency could change by decision of the Board or of the Management Company before launch, in which case the Prospectus will be updated before the launch date.

Currency Hedged Share Classes

Currency Hedged Share Classes in this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Calculation of Global Exposure

Absolute VaR

Leverage

The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.

The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Subscriptions

Shares are typically only available for subscription during the IOP and during the Pre-Investment Period, if any. No subscription is permitted during the Investment Period, unless the Management Company should determine, at its discretion, to allow further subscriptions into the Fund during the Investment Period.

Redemptions

All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.

Redemption requests will be executed on each Business Day.

Shareholders will receive a gross redemption amount, based on the Price per Share and the applicable redemption charge.

Switches

Switches will not be allowed from other Funds into this Fund, or out of this Fund into other Funds, unless otherwise decided by the Board of Directors or the Management Company.

Dealing Day

All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.

Dealing Request Deadline

13.00 hours (Luxembourg time) on each Dealing Day.

Redemption requests may be placed on each Business Day (up to the Dealing Request Deadline).

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.

There will be a pro rata adjustment done on the distribution taking into account any partial redemption.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Counterparty
- Currency & exchange rate
- Securitised bonds
- Emerging markets
- Investment in funds
- Derivative instruments
- Fixed maturity fund
- Funds or Share Classes with Fixed Distributions
- Redemption charge
- Liquidity
- ESG Data
- Investments exclusions risk

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Single Charge (annual rate)	Initial Charge	Redemption Charge
W	Up to 0.60%	-	See the schedule below
WI	Up to 0.60%	-	See the schedule below
P	Up to 1.20%	-	See the schedule below
Z	-	-	See the schedule below
ZI	-	-	See the schedule below

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply in addition to the Single Charge.

Not all Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

Redemption Charge Schedule

Shareholders who redeem prior to the Fund's maturity may be subject to redemption charges as follows:

Year	1	2	3	4	5	6
Redemption Charge	3.00%	2.50%	2.00%	1.50%	1.00%	0.50%

The Management Company or the Directors may reduce or waive the Redemption Charge amount in their sole discretion.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Fixed Maturity Bond Fund 11
Legal Entity Identifier: TBD

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
- Exclusionary approach: Percentage (%) of cash held with institutions or placed in money market funds below the Investment Manager's ESG quality threshold

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Prior to the period leading up to the Maturity Date, minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Investors should note that in the period leading up to the Maturity Date the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors and during this period the commitment to maintain a minimum level of sustainable investments will no longer apply.

● What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



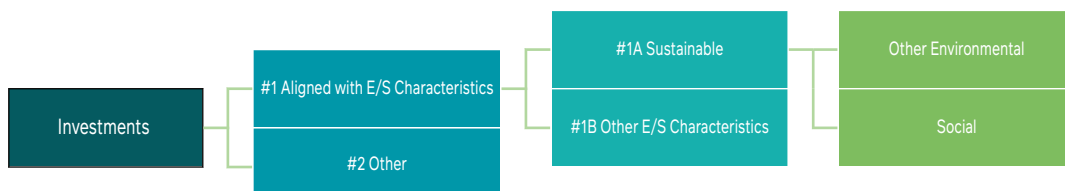
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

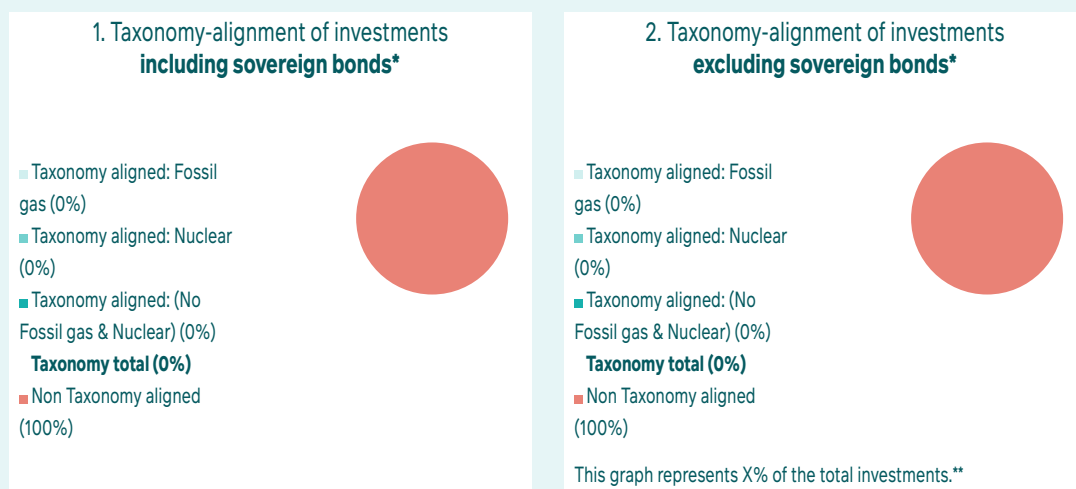
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%



- **What is the minimum share of socially sustainable investments?**
5%



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied where such instruments are held as “Other” investments.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics. It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Fixed Maturity High Yield Bond Fund

Launch Date	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the launch date will be disclosed here as soon as possible.
First Day of the Investment Period	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the First Day of the Investment Period will be disclosed here as soon as possible.
Duration	The Fund will be established for a fixed term of three (3) years from the First Day of the Investment Period, as defined below. The Maturity Date could change before launch by decision of the Board or of the Management Company, in which case the Prospectus will be updated before the launch date.
Investment Objective	The Fund aims to deliver total return (capital growth plus income) over the term of the Fund, while applying ESG criteria.
Investment Policy	<p>During the Investment Period as defined below, the Fund primarily invests in high yield debt securities. These securities can be issued or guaranteed by governments and public issuers, and companies. Issuers can be located anywhere in the world, including emerging markets. These securities can be denominated in any currency.</p> <p>In addition to high yield securities, the Fund may invest in unrated debt securities up to a combined maximum of 100% of the Fund's Net Asset Value. There are no credit quality restrictions with respect to the high yield debt securities in which the Fund may invest.</p> <p>Unrated securities may be considered above or below investment grade in the opinion of the Investment Manager, but, for the purposes of this investment restriction, all unrated securities shall be aggregated with securities rated below investment grade.</p> <p>The Fund may also hold up to a maximum of 10% of its Net Asset Value in contingent convertible debt securities and up to a maximum of 10% of its Net Asset Value in asset-backed securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 30% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency.</p> <p>The Fund will typically invest directly. The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but</p>

are not limited to, spot and forward contracts, exchanged traded futures, options, credit default swaps, and interest rate swaps and credit linked notes.

In the period leading up to the Maturity Date, the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors. Consequently, the financial terms of the investment policy described herein may no longer be relevant in the 6 months preceding the Maturity Date. The precontractual annex to this Fund Supplement explains the way in which the Exclusionary Approach applies during this period.

Investment Strategy

Investment Approach

The Fund predominantly adopts a buy and maintain strategy, whereby the majority of the debt securities held within the Fund are expected to be held until maturity.

The investment process combines a bottom-up value focused approach and “top-down” macroeconomic, asset, sector and geographic considerations. The investment strategy aims to earn an attractive yield whilst balancing credit risk and diversification.

The Fund is diversified by investing in a range of individual issuers, sectors and geographies.

An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.

In the event that a debt security’s or an issuer’s credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Investment Manager’s ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

The Fund is actively managed and it has no benchmark.

Investors can assess the performance of the Fund by its objective to deliver total return (capital growth plus income) over the term of the Fund.

Product Structure

The Fund features distinct periods.

1 Initial Offer Period

The Fund will have an Initial Offer Period (the "IOP") when investors can make subscriptions prior to the launch of the Fund. The IOP will be determined by the Management Company.

At the end of the IOP, the Directors or the Management Company may determine, at their discretion and taking into account the interests of investors, that subscriptions received

during the IOP are insufficient to manage the Fund's portfolio in accordance with its investment objective and policy.

In such an event, the Directors or the Management Company may, at their discretion, either decide that the Fund will not proceed to launch or have a Pre-Investment Period (see below).

In case it is decided that the Fund will not proceed to launch, subscription amounts paid by investors through the IOP will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of each applicant, in accordance with the provisions of this Prospectus.

2 Pre-Investment Period

The Fund may have a pre-investment period (the "Pre-Investment Period") following the first Net Asset Value calculation when investors can make further subscriptions, at the discretion of the Management Company.

The Pre-Investment Period will be determined by the Management Company and will not exceed three months following the Fund's launch date.

During the Pre-Investment Period, the Fund will not be managed in accordance with its investment objective and investment policy and will instead hold cash and near cash. However, under no circumstances is it intended for the Fund to qualify as a money market fund within the meaning of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as amended, during this period.

At the end of the Pre-Investment Period, the Directors or the Management Company, may determine, at their discretion and taking into account the interests of Shareholders, that subscriptions received during the Pre-Investment Period and IOP are insufficient to manage the Fund's portfolio in accordance with its investment objective and policy.

In such an event, the Management Company may decide that the Fund will not proceed to its Investment Period and may instead decide to liquidate the Fund. Such liquidation would be conducted in accordance with applicable laws and regulations and the terms of this Prospectus.

In case it is decided that the Fund will not proceed to its Investment Period but will be liquidated, 80% of the Single Charge charged during the Pre-Investment Period will be returned to the Shareholders.

3 Investment Period

During the investment period (the "Investment Period") the Fund will be managed in accordance with its investment objective and investment policy.

The Directors or the Management Company may determine, at their discretion, to allow further subscriptions into the Fund during the Investment Period.

In the event of significant investor redemptions, the Directors or the Management Company reserve the right to close the Fund before the Maturity Date subject to the net assets of the Fund falling below a minimum viable level as determined by the Directors or by the Management Company.

4 Maturity Date

The Fund will be liquidated on the Maturity Date and Shares in the Fund will be compulsorily redeemed at the prevailing Net Asset Value per Share.

The Maturity Date may be deferred or brought forward by up to three months (or any other period notified in advance to the Shareholders) if the Directors believe that it is in the interest of Shareholders, notably to ensure a smooth liquidation. Shareholders will be

notified of such decision and will be given the possibility to redeem their Shares free of charge.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors seeking to earn an attractive yield over the term of the Fund, and is designed for those investors who have sustainability preferences.

There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise. In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

The Fund is designed for investors who have an investment time horizon aligned with the fixed term of the Fund and are therefore prepared to remain invested until the Maturity Date.

Reference Currency

EUR. The Fund's Reference Currency could change by decision of the Board or of the Management Company before launch, in which case the Prospectus will be updated before the launch date.

Currency Hedged Share Classes

Currency Hedged Share Classes in this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

Calculation of Global Exposure

Absolute VaR

Leverage

The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.

The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.

Subscriptions

Shares are typically only available for subscription during the IOP and during the Pre-Investment Period, if any. No subscription is permitted during the Investment Period unless the Management Company should determine, at its discretion, to allow further subscriptions into the Fund during the Investment Period.

Redemptions

All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.

Redemption requests will be executed on each Business Day.

Shareholders will receive a gross redemption amount, based on the Price per Share and the applicable redemption charge.

Switches

Switches will not be allowed from other Funds into this Fund, or out of this Fund into other Funds, unless otherwise decided by the Board of Directors or the Management Company.

Dealing Day

All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.

Dealing Request Deadline

13.00 hours (Luxembourg time) on each Dealing Day.

Redemption requests may be placed on each Business Day (up to the Dealing Request Deadline).

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.

There will be a pro rata adjustment done on the distribution taking into account any partial redemption.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Counterparty
- Currency & exchange rate
- Securitised bonds
- Emerging markets
- Investment in funds
- Derivative instruments
- Fixed maturity fund
- Funds or Share Classes with Fixed Distributions
- Redemption charge
- Liquidity
- ESG Data
- Investments exclusions

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Single Charge (annual rate)	Initial Charge	Redemption Charge
W	Up to 0.60%		See the schedule below
WI	Up to 0.60%		See the schedule below
P	Up to 1.20%		See the schedule below
Z	-	-	See the schedule below
ZI	-	-	See the schedule below

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply in addition to the Single Charge.

Not all Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

Redemption Charge Schedule

Shareholders who redeem prior to the Fund’s maturity may be subject to redemption charges as follows:

Year	1	2	3	4	5	6
Redemption Charge	3.00%	2.50%	2.00%	1.50%	1.00%	0.50%

The Management Company or the Directors may reduce or waive the Redemption Charge amount in their sole discretion.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Fixed Maturity High Yield Bond Fund
Legal Entity Identifier: TBD

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

● ● ☐ Yes

● ● ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
- Exclusionary approach: Percentage (%) of cash held with institutions or placed in money market funds below the Investment Manager's ESG quality threshold

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Prior to the period leading up to the Maturity Date, minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Investors should note that in the period leading up to the Maturity Date the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors and during this period the commitment to maintain a minimum level of sustainable investments will no longer apply.

● What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

● What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



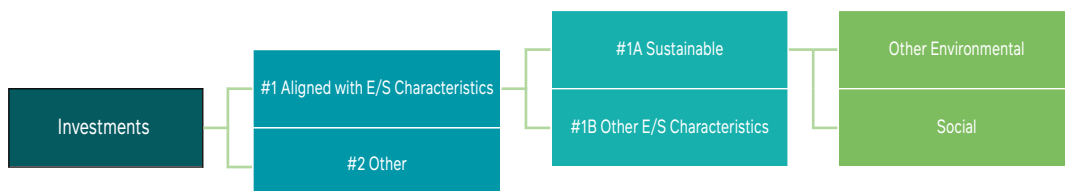
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

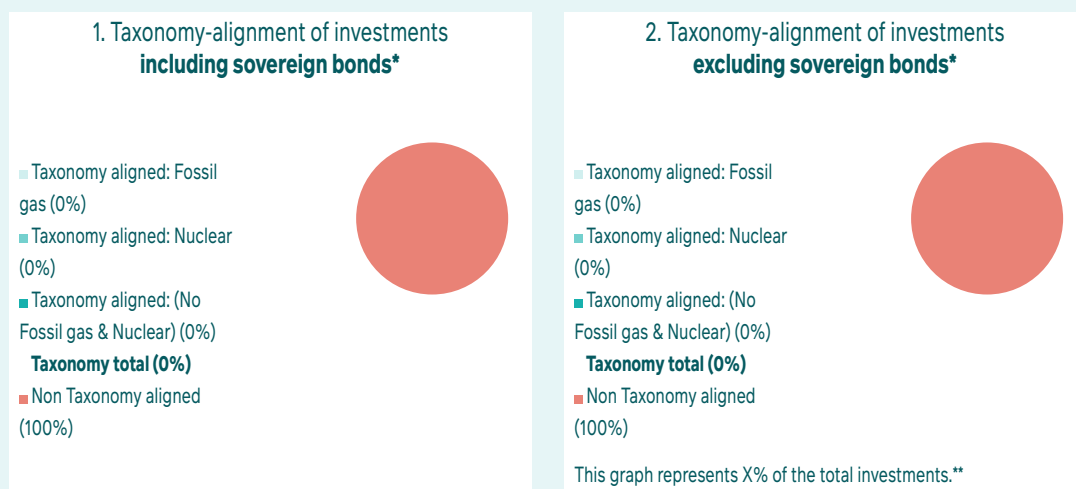
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%



- **What is the minimum share of socially sustainable investments?**
5%



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied where such instruments are held as “Other” investments.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics. It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Asian Fixed Maturity Bond Fund 1

Launch Date	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the launch date will be disclosed here as soon as possible.
First Day of the Investment Period	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the First Day of the Investment Period will be disclosed here as soon as possible.
Duration	The Fund will be established for a fixed term of five (5) years from the First Day of the Investment Period, as defined below. The Maturity Date could change before launch by decision of the Board or of the Management Company, in which case the Prospectus will be updated before the launch date.
Investment Objective	The Fund aims to deliver total return (capital growth plus income) over the term of the Fund, while applying ESG criteria.
Investment Policy	<p>During the Investment Period as defined below, the Fund primarily invests in investment grade debt securities. These securities can be issued or guaranteed by governments and public issuers, and companies. Issuers will primarily be domiciled in, or conducting the major part of their economic activity in, the Asian Pacific region.</p> <p>The Fund will not actively invest in below investment grade or unrated debt securities, and will only hold such positions as the result of ratings downgrades.</p> <p>The Fund may invest in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.</p> <p>The Fund may also hold up to a maximum of 10% of its Net Asset Value in contingent convertible debt securities and up to a maximum of 10% of its Net Asset Value in asset-backed securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 30% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency.</p> <p>The Fund will typically invest directly. The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but are not limited to, spot and forward contracts, exchanged traded futures, options, credit default swaps, and interest rate swaps and credit linked notes.</p>

In the period leading up to the Maturity Date, the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors. Consequently, the financial terms of the investment policy described herein may no longer be relevant in the 6 months preceding the Maturity Date. The precontractual annex to this Fund Supplement explains the way in which the Exclusionary Approach applies during this period.

Investment Strategy

Investment Approach

The Fund predominantly adopts a buy and maintain strategy, whereby the majority of the debt securities held within the Fund are expected to be held until maturity.

The investment process combines a bottom-up value focused approach and “top-down” macroeconomic, asset, sector and geographic considerations. The investment strategy aims to earn an attractive yield whilst balancing credit risk and diversification.

The Fund is diversified by investing in a range of individual issuers, sectors and geographies.

An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.

In the event that a debt security’s or an issuer’s credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Investment Manager’s ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

The Fund is actively managed and it has no benchmark.

Investors can assess the performance of the Fund by its objective to deliver total return (capital growth plus income) over the term of the Fund.

Product Structure

The Fund features distinct periods.

1 Initial Offer Period

The Fund will have an Initial Offer Period (the "IOP") when investors can make subscriptions prior to the launch of the Fund. The IOP will be determined by the Management Company.

At the end of the IOP, the Directors or the Management Company may determine, at their discretion and taking into account the interests of investors, that subscriptions received during the IOP are insufficient to manage the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Directors or the Management Company may, at their discretion, either decide that the Fund will not proceed to launch or have a Pre-Investment Period (see below).

In case it is decided that the Fund will not proceed to launch, subscription amounts paid by investors through the IOP will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of each applicant, in accordance with the provisions of this Prospectus.

2 Pre-Investment Period

The Fund may have a pre-investment period (the “Pre-Investment Period”) following the first Net Asset Value calculation when investors can make further subscriptions, at the discretion of the Management Company.

The Pre-Investment Period will be determined by the Management Company and will not exceed three months following the Fund’s launch date.

During the Pre-Investment Period, the Fund will not be managed in accordance with its investment objective and investment policy and will instead hold cash and near cash. However, under no circumstances is it intended for the Fund to qualify as a money market fund within the meaning of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as amended, during this period.

At the end of the Pre-Investment Period, the Directors or the Management Company, may determine, at their discretion and taking into account the interests of Shareholders, that subscriptions received during the Pre-Investment Period and IOP are insufficient to manage the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Management Company may decide that the Fund will not proceed to its Investment Period and may instead decide to liquidate the Fund. Such liquidation would be conducted in accordance with applicable laws and regulations and the terms of this Prospectus.

In case it is decided that the Fund will not proceed to its Investment Period but will be liquidated, 80% of the Single Charge charged during the Pre-Investment Period will be returned to the Shareholders.

3 Investment Period

During the investment period (the “Investment Period”) the Fund will be managed in accordance with its investment objective and investment policy.

The Directors or the Management Company may determine, at their discretion, to allow further subscriptions into the Fund during the Investment Period.

In the event of significant investor redemptions, the Directors or the Management Company reserve the right to close the Fund before the Maturity Date subject to the net assets of the Fund falling below a minimum viable level as determined by the Directors or by the Management Company.

4 Maturity Date

The Fund will be liquidated on the Maturity Date and Shares in the Fund will be compulsorily redeemed at the prevailing Net Asset Value per Share.

The Maturity Date may be deferred or brought forward by up to three months (or any other period notified in advance to the Shareholders) if the Directors believe that it is in the interest of Shareholders, notably to ensure a smooth liquidation.

Shareholders will be notified of such decision and will be given the possibility to redeem their Shares free of charge.

Profile of Typical Investor	<p>The Fund is designed retail and Institutional Investors seeking to earn an attractive yield over the term of the Fund, and is designed for those investors who have sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise. In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>The Fund is designed investors who have an investment time horizon aligned with the fixed term of the Fund and are therefore prepared to remain invested until the Maturity Date.</p>
Sub-Investment Manager	M&G Investments (Singapore) Pte. Ltd.
Reference Currency	USD. The Fund's Reference Currency could change by decision of the Board or of the Management Company before launch, in which case the Prospectus will be updated before the launch date.
Currency Hedged Share Classes	Currency Hedged Share Classes in this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Calculation of Global Exposure	Absolute VaR
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Subscriptions	Shares are typically only available for subscription during the IOP and during the Pre-Investment Period, if any. No subscription is permitted during the Investment Period unless the Management Company should determine, at its discretion, to allow further subscriptions into the Fund during the Investment Period.
Redemptions	<p>All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.</p> <p>Redemption requests will be executed on each Business Day.</p> <p>Shareholders will receive a gross redemption amount, based on the Price per Share and the applicable redemption charge.</p>
Switches	Switches will not be allowed from other Funds into this Fund, or out of this Fund into other Funds, unless otherwise decided by the Board of Directors or the Management Company.
Dealing Day	All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.
Dealing Request Deadline	<p>13.00 hours (Luxembourg time) on each Dealing Day.</p> <p>Redemption requests may be placed on each Business Day (up to the Dealing Request Deadline).</p>

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.

There will be a pro rata adjustment done on the distribution taking into account any partial redemption.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Counterparty
- Currency & exchange rate
- Securitised bonds
- Emerging markets
- Investment in funds
- Derivative instruments
- Fixed maturity fund
- Funds or Share Classes with Fixed Distributions
- Redemption charge
- Liquidity
- ESG Data
- Investments exclusions

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Single Charge (annual rate)	Initial Charge	Redemption Charge
W	Up to 0.60%		See the schedule below
WI	Up to 0.60%		See the schedule below
P	Up to 1.20%		See the schedule below
Z	-	-	See the schedule below
ZI	-	-	See the schedule below

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply in addition to the Single Charge.

Not all Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

Redemption Charge Schedule

Shareholders who redeem prior to the Fund’s maturity may be subject to redemption charges as follows:

Year	1	2	3	4	5	6
Redemption Charge	3.00%	2.50%	2.00%	1.50%	1.00%	0.50%

The Management Company or the Directors may reduce or waive the Redemption Charge amount in their sole discretion.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Asian Fixed Maturity Bond Fund 1
Legal Entity Identifier: TBD

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
- Exclusionary approach: Percentage (%) of cash held with institutions or placed in money market funds below the Investment Manager's ESG quality threshold

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
 - The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
 - Prior to the period leading up to the Maturity Date, minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Investors should note that in the period leading up to the Maturity Date the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors and during this period the commitment to maintain a minimum level of sustainable investments will no longer apply.
- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**
0%

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).



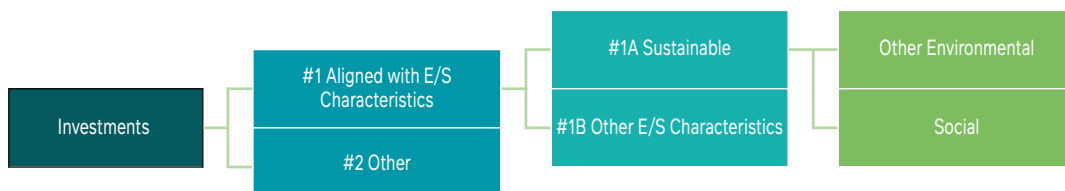
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

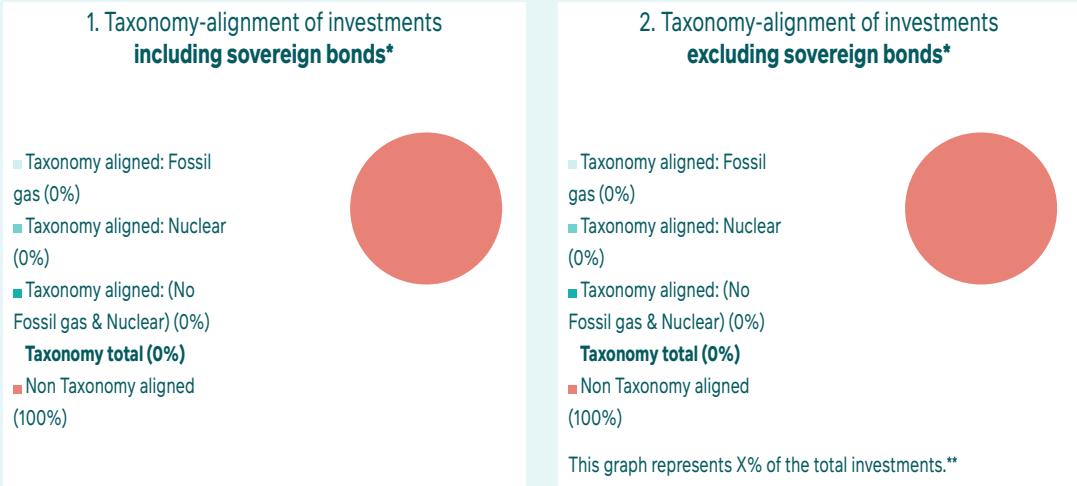
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

-  **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

-  **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied where such instruments are held as “Other” investments.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Asian Fixed Maturity Bond Fund 2

Launch Date	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the launch date will be disclosed here as soon as possible.
First Day of the Investment Period	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the First Day of the Investment Period will be disclosed here as soon as possible.
Duration	The Fund will be established for a fixed term of five (5) years from the First Day of the Investment Period, as defined below. The Maturity Date could change before launch by decision of the Board or of the Management Company, in which case the Prospectus will be updated before the launch date.
Investment Objective	The Fund aims to deliver total return (capital growth plus income) over the term of the Fund, while applying ESG criteria.
Investment Policy	<p>During the Investment Period as defined below, the Fund invests at least 80% of its Net Asset Value in investment grade debt securities. These securities can be issued or guaranteed by governments and public issuers, and companies. Issuers will primarily be domiciled in, or conducting the major part of their economic activity in, the Asian Pacific region.</p> <p>The Fund may invest up to 20% in below investment grade and unrated debt securities.</p> <p>Unrated securities may be considered above or below investment grade in the opinion of the Investment Manager, but, for the purposes of this investment restriction, all unrated securities shall be aggregated with securities rated below investment grade.</p> <p>The Fund may invest in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.</p> <p>The Fund may also hold up to a maximum of 10% of its Net Asset Value in contingent convertible debt securities and up to a maximum of 10% of its Net Asset Value in asset-backed securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency.</p> <p>The Fund will typically invest directly. The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but</p>

are not limited to, spot and forward contracts, exchanged traded futures, options, credit default swaps, and interest rate swaps and credit linked notes.

In the period leading up to the Maturity Date, the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors. Consequently, the financial terms of the investment policy described herein may no longer be relevant in the 6 months preceding the Maturity Date. The precontractual annex to this Fund Supplement explains the way in which the Exclusionary Approach applies during this period.

Investment Strategy

Investment Approach

The Fund predominantly adopts a buy and maintain strategy, whereby the majority of the debt securities held within the Fund are expected to be held until maturity.

The investment process combines a bottom-up value focused approach and “top-down” macroeconomic, asset, sector and geographic considerations. The investment strategy aims to earn an attractive yield whilst balancing credit risk and diversification.

The Fund is diversified by investing in a range of individual issuers, sectors and geographies.

An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.

In the event that a debt security’s or an issuer’s credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Investment Manager’s ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

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The Fund is actively managed and it has no benchmark.

Investors can assess the performance of the Fund by its objective to deliver total return (capital growth plus income) over the term of the Fund.

Product Structure

The Fund features distinct periods.

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The Fund will have an Initial Offer Period (the "IOP") when investors can make subscriptions prior to the launch of the Fund. The IOP will be determined by the Management Company.

At the end of the IOP, the Directors or the Management Company may determine, at their discretion and taking into account the interests of investors, that subscriptions received during the IOP are insufficient to manage the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Directors or the Management Company may, at their discretion, either decide that the Fund will not proceed to launch or have a Pre-Investment Period (see below).

In case it is decided that the Fund will not proceed to launch, subscription amounts paid by investors through the IOP will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of each applicant, in accordance with the provisions of this Prospectus.

2 Pre-Investment Period

The Fund may have a pre-investment period (the “Pre-Investment Period”) following the first Net Asset Value calculation when investors can make further subscriptions, at the discretion of the Management Company.

The Pre-Investment Period will be determined by the Management Company and will not exceed three months following the Fund’s launch date.

During the Pre-Investment Period, the Fund will not be managed in accordance with its investment objective and investment policy and will instead hold cash and near cash. However, under no circumstances is it intended for the Fund to qualify as a money market fund within the meaning of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as amended, during this period.

At the end of the Pre-Investment Period, the Directors or the Management Company, may determine, at their discretion and taking into account the interests of Shareholders, that subscriptions received during the Pre-Investment Period and IOP are insufficient to manage the Fund’s portfolio in accordance with its investment objective and policy.

In such an event, the Management Company may decide that the Fund will not proceed to its Investment Period and may instead decide to liquidate the Fund. Such liquidation would be conducted in accordance with applicable laws and regulations and the terms of this Prospectus.

In case it is decided that the Fund will not proceed to its Investment Period but will be liquidated, 80% of the Single Charge charged during the Pre-Investment Period will be returned to the Shareholders.

3 Investment Period

During the investment period (the “Investment Period”) the Fund will be managed in accordance with its investment objective and investment policy.

The Directors or the Management Company may determine, at their discretion, to allow further subscriptions into the Fund during the Investment Period.

In the event of significant investor redemptions, the Directors or the Management Company reserve the right to close the Fund before the Maturity Date subject to the net assets of the Fund falling below a minimum viable level as determined by the Directors or by the Management Company.

4 Maturity Date

The Fund will be liquidated on the Maturity Date and Shares in the Fund will be compulsorily redeemed at the prevailing Net Asset Value per Share.

The Maturity Date may be deferred or brought forward by up to three months (or any other period notified in advance to the Shareholders) if the Directors believe that it is in the interest of Shareholders, notably to ensure a smooth liquidation.

Shareholders will be notified of such decision and will be given the possibility to redeem their Shares free of charge.

Profile of Typical Investor	<p>The Fund is designed for retail and Institutional Investors seeking to earn an attractive yield over the term of the Fund, and is designed for those investors who have sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise. In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>The Fund is designed for investors who have an investment time horizon aligned with the fixed term of the Fund and are therefore prepared to remain invested until the Maturity Date.</p>
Sub-Investment Manager	M&G Investments (Singapore) Pte. Ltd.
Reference Currency	USD. The Fund's Reference Currency could change by decision of the Board or of the Management Company before launch, in which case the Prospectus will be updated before the launch date.
Currency Hedged Share Classes	Currency Hedged Share Classes in this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Calculation of Global Exposure	Absolute VaR
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Subscriptions	Shares are typically only available for subscription during the IOP and during the Pre-Investment Period, if any. No subscription is permitted during the Investment Period unless the Management Company should determine, at its discretion, to allow further subscriptions into the Fund during the Investment Period.
Redemptions	<p>All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.</p> <p>Redemption requests will be executed on each Business Day.</p> <p>Shareholders will receive a gross redemption amount, based on the Price per Share and the applicable redemption charge.</p>
Switches	Switches will not be allowed from other Funds into this Fund, or out of this Fund into other Funds, unless otherwise decided by the Board of Directors or the Management Company.
Dealing Day	All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.
Dealing Request Deadline	13.00 hours (Luxembourg time) on each Dealing Day.

Redemption requests may be placed on each Business Day (up to the Dealing Request Deadline).

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.

There will be a pro rata adjustment done on the distribution taking into account any partial redemption.

Main Risks

The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.

- Capital & income will vary
- Credit
- Interest rate
- Counterparty
- Currency & exchange rate
- Securitised bonds
- Emerging markets
- Investment in funds
- Derivative instruments
- Fixed maturity fund
- Funds or Share Classes with Fixed Distributions
- Redemption charge
- Liquidity
- ESG Data
- Investments exclusions

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Single Charge (annual rate)	Initial Charge	Redemption Charge
W	Up to 0.60%		See the schedule below
WI	Up to 0.60%		See the schedule below
P	Up to 1.20%		See the schedule below
Z	-	-	See the schedule below
ZI	-	-	See the schedule below

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply in addition to the Single Charge.

Not all Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

Redemption Charge Schedule

Shareholders who redeem prior to the Fund's maturity may be subject to redemption charges as follows:

Year	1	2	3	4	5	6
Redemption Charge	3.00%	2.50%	2.00%	1.50%	1.00%	0.50%

The Management Company or the Directors may reduce or waive the Redemption Charge amount in their sole discretion.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Asian Fixed Maturity Bond Fund 2
Legal Entity Identifier: TBD

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
- Exclusionary approach: Percentage (%) of cash held with institutions or placed in money market funds below the Investment Manager's ESG quality threshold

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Prior to the period leading up to the Maturity Date, minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Investors should note that in the period leading up to the Maturity Date the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors and during this period the commitment to maintain a minimum level of sustainable investments will no longer apply.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



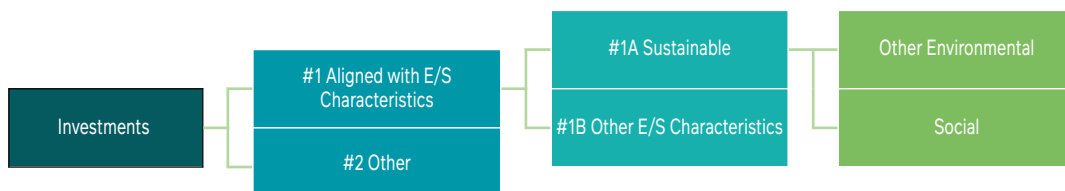
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

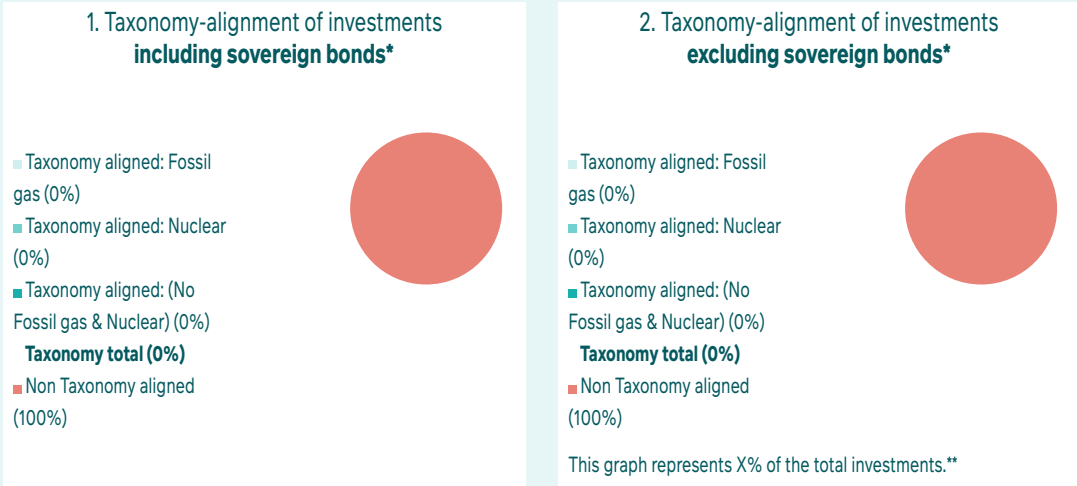
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

- **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

-  **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

-  **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied where such instruments are held as “Other” investments.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

M&G (Lux) Asian Fixed Maturity Bond Fund 3

Launch Date	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the launch date will be disclosed here as soon as possible.
First Day of the Investment Period	The Fund is not launched at the date of this Prospectus, but it can be launched at any time by decision of the Management Company or by the Board of Directors, in which case the First Day of the Investment Period will be disclosed here as soon as possible.
Duration	The Fund will be established for a fixed term of three (3) years from the First Day of the Investment Period, as defined below. The Maturity Date could change before launch by decision of the Board or of the Management Company, in which case in the Prospectus will be updated before the launch date.
Investment Objective	The Fund aims to deliver total return (capital growth plus income) over the term of the Fund, while applying ESG criteria.
Investment Policy	<p>During the Investment Period as defined below, the Fund invests at least 60% of its Net Asset Value in investment grade debt securities. These securities can be issued or guaranteed by governments and public issuers, and companies. Issuers will primarily be domiciled in, or conducting the major part of their economic activity in, the Asian Pacific region.</p> <p>The Fund may invest up to 40% in below investment grade and unrated debt securities.</p> <p>Unrated securities may be considered above or below investment grade in the opinion of the Investment Manager, but, for the purposes of this investment restriction, all unrated securities shall be aggregated with securities rated below investment grade.</p> <p>The Fund may invest in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.</p> <p>The Fund may also hold up to a maximum of 10% of its Net Asset Value in contingent convertible debt securities and up to a maximum of 10% of its Net Asset Value in asset-backed securities.</p> <p>The Fund seeks to make investments that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 40% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency.</p> <p>The Fund will typically invest directly. The Fund may use derivatives for investment purposes, efficient portfolio management and hedging. These instruments may include, but</p>

are not limited to, spot and forward contracts, exchanged traded futures, options, credit default swaps, and interest rate swaps and credit linked notes.

In the period leading up to the Maturity Date, the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors. Consequently, the financial terms of the investment policy described herein may no longer be relevant in the 6 months preceding the Maturity Date. The precontractual annex to this Fund Supplement explains the way in which the Exclusionary Approach applies during this period.

Investment Strategy

Investment Approach

The Fund predominantly adopts a buy and maintain strategy, whereby the majority of the debt securities held within the Fund are expected to be held until maturity.

The investment process combines a bottom-up value focused approach and “top-down” macroeconomic, asset, sector and geographic considerations. The investment strategy aims to earn an attractive yield whilst balancing credit risk and diversification.

The Fund is diversified by investing in a range of individual issuers, sectors and geographies.

An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.

In the event that a debt security’s or an issuer’s credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Investment Manager’s ESG Classification

The Fund is categorised as Planet+ / ESG Enhanced.

The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.

EU Sustainable Finance Disclosure Regulation

The Fund is categorised as an Article 8 fund under SFDR and promotes environmental and/or social characteristics as described in the precontractual annex to this Fund Supplement.

Benchmark

The Fund is actively managed and it has no benchmark.

Investors can assess the performance of the Fund by its objective to deliver total return (capital growth plus income) over the term of the Fund.

Product Structure

The Fund features distinct periods.

1 Initial Offer Period

The Fund will have an Initial Offer Period (the "IOP") when investors can make subscriptions prior to the launch of the Fund. The IOP will be determined by the Management Company.

At the end of the IOP, the Directors or the Management Company may determine, at their discretion and taking into account the interests of investors, that subscriptions received

during the IOP are insufficient to manage the Fund's portfolio in accordance with its investment objective and policy.

In such an event, the Directors or the Management Company may, at their discretion, either decide that the Fund will not proceed to launch or have a Pre-Investment Period (see below).

In case it is decided that the Fund will not proceed to launch, subscription amounts paid by investors through the IOP will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of each applicant, in accordance with the provisions of this Prospectus.

2 Pre-Investment Period

The Fund may have a pre-investment period (the "Pre-Investment Period") following the first Net Asset Value calculation when investors can make further subscriptions, at the discretion of the Management Company.

The Pre-Investment Period will be determined by the Management Company and will not exceed three months following the Fund's launch date.

During the Pre-Investment Period, the Fund will not be managed in accordance with its investment objective and investment policy and will instead hold cash and near cash. However, under no circumstances is it intended for the Fund to qualify as a money market fund within the meaning of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as amended, during this period.

At the end of the Pre-Investment Period, the Directors or the Management Company, may determine, at their discretion and taking into account the interests of Shareholders, that subscriptions received during the Pre-Investment Period and IOP are insufficient to manage the Fund's portfolio in accordance with its investment objective and policy.

In such an event, the Management Company may decide that the Fund will not proceed to its Investment Period and may instead decide to liquidate the Fund. Such liquidation would be conducted in accordance with applicable laws and regulations and the terms of this Prospectus.

In case it is decided that the Fund will not proceed to its Investment Period but will be liquidated, 80% of the Single Charge charged during the Pre-Investment Period will be returned to the Shareholders.

3 Investment Period

During the investment period (the "Investment Period") the Fund will be managed in accordance with its investment objective and investment policy.

The Directors or the Management Company may determine, at their discretion, to allow further subscriptions into the Fund during the Investment Period.

In the event of significant investor redemptions, the Directors or the Management Company reserve the right to close the Fund before the Maturity Date subject to the net assets of the Fund falling below a minimum viable level as determined by the Directors or by the Management Company.

4 Maturity Date

The Fund will be liquidated on the Maturity Date and Shares in the Fund will be compulsorily redeemed at the prevailing Net Asset Value per Share.

The Maturity Date may be deferred or brought forward by up to three months (or any other period notified in advance to the Shareholders) if the Directors believe that it is in the interest of Shareholders, notably to ensure a smooth liquidation.

	Shareholders will be notified of such decision and will be given the possibility to redeem their Shares free of charge.
Profile of Typical Investor	<p>The Fund is designed retail and Institutional Investors seeking to earn an attractive yield over the term of the Fund, and is designed for those investors who have sustainability preferences.</p> <p>There is no guarantee that the Fund will achieve its objective. Investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise. In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>The Fund is designed for investors who have an investment time horizon aligned with the fixed term of the Fund and are therefore prepared to remain invested until the Maturity Date.</p>
Sub-Investment Manager	M&G Investments (Singapore) Pte. Ltd.
Reference Currency	USD. The Fund's Reference Currency could change by decision of the Board or of the Management Company before launch, in which case the Prospectus will be updated before the launch date.
Currency Hedged Share Classes	Currency Hedged Share Classes in this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.
Calculation of Global Exposure	Absolute VaR
Leverage	<p>The Fund's expected average level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
Subscriptions	Shares are typically only available for subscription during the IOP and during the Pre-Investment Period, if any. No subscription is permitted during the Investment Period unless the Management Company should determine, at its discretion, to allow further subscriptions into the Fund during the Investment Period.
Redemptions	<p>All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.</p> <p>Redemption requests will be executed on each Business Day.</p> <p>Shareholders will receive a gross redemption amount, based on the Price per Share and the applicable redemption charge.</p>
Switches	Switches will not be allowed from other Funds into this Fund, or out of this Fund into other Funds, unless otherwise decided by the Board of Directors or the Management Company.
Dealing Day	All Dealing Days after the first Dealing Day will be for redemption requests only and will be every Business Day.

Dealing Request Deadline	13.00 hours (Luxembourg time) on each Dealing Day. Redemption requests may be placed on each Business Day (up to the Dealing Request Deadline).
Distribution Policy	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis. There will be a pro rata adjustment done on the distribution taking into account any partial redemption.
Main Risks	<p>The Fund is exposed to the following main risks typically associated with the securities and instruments the Fund invests in or uses to seek to achieve its investment objective.</p> <ul style="list-style-type: none"> • Capital & income will vary • Credit • Interest rate • Counterparty • Currency & exchange rate • Securitised bonds • Emerging markets • Investment in funds • Derivative instruments • Fixed maturity fund • Funds or Share Classes with Fixed Distributions • Redemption charge • Liquidity • ESG Data • Investments exclusions

Investors should read the section “Risk Factors” for a full description of risks.

Share Classes Available for Issue

Share Class	Single Charge (annual rate)	Initial Charge	Redemption Charge
W	Up to 0.60%	1.25%	See the schedule below
WI	Up to 0.60%	1.25%	See the schedule below
P	Up to 1.20%	4.00%	See the schedule below
Z	-	-	See the schedule below
ZI	-	-	See the schedule below

Investors should read the section “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription amount and the Minimum Subsequent Subscription amount in their sole discretion.

Redemption Charges shown are the maximum figures and, in some cases, may be less.

Investors in Currency Hedged Share Classes should note that a Share Class Hedging Charge of 0.01%-0.055% will apply in addition to the Single Charge.

Not all Share Classes issued in this Fund may be disclosed in this Fund Supplement at the time of issue of this Prospectus. An exhaustive list of Share Classes issued in this Fund can be found on the [M&G website](#).

Redemption Charge Schedule

Shareholders who redeem prior to the Fund's maturity may be subject to redemption charges as follows:

Year	1	2	3	4	5	6
Redemption Charge	3.00%	2.50%	2.00%	1.50%	1.00%	0.50%

The Management Company or the Directors may reduce or waive the Redemption Charge amount in their sole discretion.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G (Lux) Investment Funds 1 - M&G (Lux) Asian Fixed Maturity Bond Fund 3
Legal Entity Identifier: TBD

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes the use of an Exclusionary Approach (as defined below):

The Fund excludes certain potential investments from its investment universe to mitigate potential negative effects on the environment and society. For securitised investments such as asset-backed securities (ABS), this also includes assessing them against the Investment Manager's proprietary scoring methodology. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is deposited with institutions or invested in money market funds which pass the Investment Manager's ESG quality threshold ("Exclusionary Approach"). Accordingly, the Investment Manager is promoting environmental and/or social characteristics by excluding certain investments that are considered to be detrimental to ESG Factors.

For further information on the Fund's exclusions, please refer to the Fund's website disclosure, which may be found via the following link www.mandg.com/country-specific-fund-literature.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators selected to demonstrate the attainment of the promoted environmental and/or social characteristics are:

- Exclusionary approach: Percentage (%) of NAV held in excluded investments
- Exclusionary approach: Percentage (%) of ABS below the Investment Manager's threshold for alignment
- Exclusionary approach: Percentage (%) of cash held with institutions or placed in money market funds below the Investment Manager's ESG quality threshold

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund may allocate to sustainable investments of any type, i.e. investments with an environmental, and/or a social objective. The Fund is not required to favour any specific type of sustainable investment.

The Investment Manager uses a series of proprietary tests based on available data to determine whether and how an investment makes positive contribution(s) towards environmental and social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective as they are required to pass a series of tests, including:

1. Whether they represent significant exposure to businesses the Investment Manager considers harmful
2. Principal Adverse Impact indicators considered to render the investment incompatible with sustainable investment (violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises, social violations by sovereigns such as being subject to sanctions, negative effects on biodiversity sensitive areas)
3. Other Principal Adverse Impact indicators form part of a materiality assessment to understand whether any exposures are compatible with sustainable investment

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available (i.e. not just for sustainable investments), which allows the Investment Manager to make informed investment decisions.

The Fund's consideration of Principal Adverse Impact indicators is used as part of understanding the operating practices of the investments purchased by the Fund.

Investments held by the Fund are then subject to ongoing monitoring and a quarterly review process.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments purchased by the Fund must pass the Investment Manager's good governance tests, and in addition, sustainable investments must also pass tests to confirm they do no significant harm, as described above. These tests embed a consideration of the OECD Guidelines and UN Guiding Principles.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, for sustainable investments, principal adverse impacts are a key part of assessing such investments do not do significant harm as explained above. For other investments the Investment Manager's research process includes consideration of Principal Adverse Impact indicators for all investments where data is available, which allows the Investment Manager to make informed investment decisions, as explained above.

Further information on the Principal Adverse Impact indicators which are taken into account by the Investment Manager can be found in the Annex to the Investment Manager's website disclosures for the Fund. Information on how the principal adverse impacts were taken into account will be provided in the Fund's annual report.

- ☐ No



What investment strategy does this financial product follow?

Consideration of ESG Factors is fully integrated into analysis and investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

1. The exclusions listed in the ESG Criteria are screened out.
2. From this narrowed investment universe, the Investment Manager performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities.

The Fund's ESG Criteria apply to at least:

- 90% of debt securities, money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large capitalisation companies in developed countries;
- 75% of debt securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging market countries; equities issued by large capitalisation companies in emerging market countries; and equities issued by small and mid-capitalisation companies in any country.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following elements are binding, as part of the Investment Manager's strategy for this Fund:

- The Fund's exclusions;
- The amount of the Fund aligned to the promoted environmental and/or social characteristics, as set out in the section "What is the asset allocation planned for this financial product?"; and
- Prior to the period leading up to the Maturity Date, minimum levels of sustainable investments, as set out in the section "What is the asset allocation planned for this financial product?". Investors should note that in the period leading up to the Maturity Date the Fund may hold progressively higher levels of cash and near cash in order to fund the return of capital to investors and during this period the commitment to maintain a minimum level of sustainable investments will no longer apply.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

0%

What is the policy to assess good governance practices of the investee companies?

The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



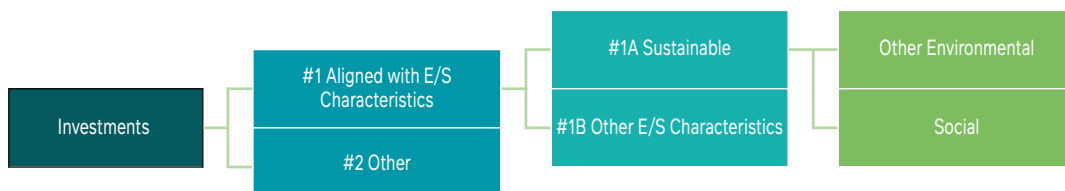
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Investment Manager expects at least 70% of the Fund to be aligned to the promoted E/S characteristics. At least 20% of the Fund will be in Sustainable Investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives may be considered aligned with the promoted environmental and/or social characteristics on the following basis:

Exclusions:

1. Where a derivative represents exposure to a single name it must be a permitted investment for the Fund.
2. Where a derivative represents exposure to a diversified financial index, it must deliver an evidencable alignment to the promoted characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

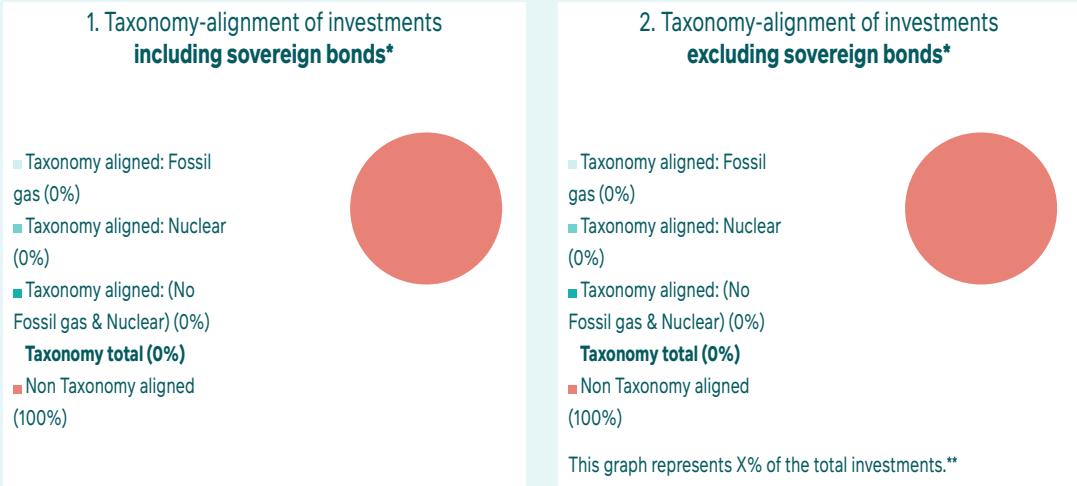
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
** As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● **What is the minimum share of investments in transitional and enabling activities?**
0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

 **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
5%

 **What is the minimum share of socially sustainable investments?**
5%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund may hold cash, near cash and money market funds, FX, interest rate derivatives and similar derivatives (which may include certain technical trades such as government bond futures used for duration trades) as “Other” investments, for any purpose permitted by the Fund’s investment policy. No minimum environmental or social safeguards are applied where such instruments are held as “Other” investments.

Derivatives used to take investment exposure to diversified financial indices (excluding technical trades), and funds (i.e. UCITS and other UCIs) may be held for any reason permitted by the Fund’s investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test.

The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Fund may hold investments that are not in line with the promoted characteristics, e.g. as a result of a merger or other corporate action, or as a result of the characteristics of a previously acquired investment changing. Where this happens, the Fund will generally seek to dispose of them in the best interests of investors, but may not always be able to do so immediately.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mandg.com/country-specific-fund-literature

Appendix 1: ESG Integration and Approaches to Responsible Investment

ESG Integration

The Investment Manager has endorsed the definition of the United Nations-supported Principles for Responsible Investment (UNPRI), which defines ESG integration as the systematic inclusion of ESG Factors in investment analysis and investment decisions. Put another way, ESG integration is the analysis of all financially material ESG Factors in investment analysis and investment decisions.

ESG integration for a Fund requires that:

- ESG and climate change-related considerations are systematically integrated into the research and investment process;
- Sustainability risks are identified and evaluated, with material ESG risk factors incorporated into the investment thesis; and
- Evidence is captured of ESG research and ESG integration.

ESG integration is not intended to qualify the Investment Manager's duty of maximizing risk-adjusted returns for a Fund and is hence not a binding element of a Fund's investment policy. As a result, ESG integration does not mean:

- certain sectors, countries and companies are prohibited from investment;
- every ESG consideration for every company or issuer must be assessed and valued;
- every investment decision is affected by ESG considerations;
- major changes to the investment process are necessary; or
- portfolio returns are sacrificed to perform ESG integration techniques.

ESG Glossary

The following terms reflect the meanings intended in this Prospectus. These definitions are primarily informational (as opposed to legal) and are intended to provide investors with helpful descriptions of ESG and responsible investment terms used in this Prospectus.

Best-in-Class	An approach to Responsible Investment, whereby companies and issuers with strong ESG credentials are selected, which are those that typically lead their peer groups in respect of sustainability performance.
ESG Criteria	The ESG criteria, including the Exclusionary Approach applied to investments and available from the link given in the precontractual annex of the Fund Supplement for the relevant Fund.
ESG Enhanced	One of M&G's ESG Fund categorisations, as explained on M&G's website. In order to be categorised as ESG Enhanced by M&G, Funds will seek to mitigate negative impacts on the environment and society.
ESG Factors	Non-financial considerations that may impact the risk, volatility and long-term return of securities, as well as markets. Investments can have both a positive and negative impact on society and the environment. <ul style="list-style-type: none"> • Environmental covers themes such as climate risks, natural resources scarcity, pollution, waste and environmental opportunities;

- **Social** covers themes such as data security, health and safety, working conditions and other social and employee matters, and human rights;
- **Governance** covers themes such as diversity amongst directors and workforce, business ethics, accounting practices, board independence, and anti-corruption and anti-bribery matters.
- In certain contexts ESG factors may be referred to as Sustainability Factors.

ESG Integrated	This is M&G's term for funds which do not promote environmental or social characteristics, or pursue a sustainable investment objective, but that apply ESG integration as explained above. ESG integration involves the identification of sustainability risks and their integration into investment decision making and risk monitoring, as further explained in the Sustainability risks section in the Risk factors.
ESG laggards	Companies classified as ESG laggards are based on MSCI (ESG rating of B or CCC) unless the Investment Manager's in-house ESG assessment takes a different view.
ESG rating / score	An aggregate measure of how a company performs on a range of ESG Factors.
Exclusionary Approach	A binding environmental and/or social characteristic where the Fund's investment universe is reduced by excluding investments assessed to be in conflict with the Fund's ESG Criteria. An exclusionary approach may be used to mitigate potential negative effects on the environment and society by applying one or more Exclusion Types. It may also be used to assist a fund in delivering more sustainable outcomes by excluding investments considered more likely to do significant harm to environmental and/or social objectives.
Exclusion Types	<p>Where a Fund applies an Exclusionary Approach, the following types of exclusions apply to the Fund's direct investments:</p> <ul style="list-style-type: none"> • Norms-based exclusions: investments that are assessed to be in breach of commonly accepted standards of behaviour related to human rights, labour rights, environment and anti-corruption. • Sector-based and/or values-based exclusions: investments and/or sectors exposed to business activities that are assessed to be damaging to human health, societal wellbeing, the environment, or otherwise assessed to be misaligned with the Fund's sector-based and/or values-based criteria. • Other exclusions: investments assessed to be otherwise in conflict with the ESG Criteria. <p>References to "assessed" above mean assessment in accordance with the Fund's ESG Criteria.</p>
Impact	One of M&G's ESG Fund categorisations, as explained on M&G's website. In order to be categorised as Impact by M&G, Funds target a measurable positive impact on the environment and/or society.
Net Zero Emissions	Achieving a state in which the activities within the value chain of a company result in no net impact on the climate from greenhouse gas emissions.
Paris Agreement	A legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.
Planet+ Funds	The M&G range of sustainability focused funds, comprised of funds categorised as Impact, Sustainable and ESG Enhanced.

Positive ESG Outcome	A non-binding characteristic of a Fund, where the Investment Manager expects the Fund's investment strategy to typically result in one or more stated environmental and/or social characteristics to be better than a relative and/or absolute measure.
Positive ESG Tilt	A binding characteristic of a Fund, where the Investment Manager commits to maintain one or more stated environmental and/or social characteristics better than a relative and/or absolute measure.
Principal Adverse Impact	The principal adverse impacts of investment decisions on Sustainability Factors.
Responsible Investment	A strategy and practice to incorporate Environmental, Social and Governance (ESG) factors into investment decisions and active ownership. It considers both how ESG might influence the risk-adjusted return of an asset and the stability of an economy, as well as how investment in and engagement with assets and investees can impact society and the environment.
SDG-aligned	A characteristic of a Fund, where the Investment Manager considers the alignment of investments to one or more of the SDGs as part of the Fund's investment strategy. Whether or not this characteristic is binding and which SDGs are considered is described in the precontractual annex to the relevant Fund Supplement.
SDG-contributing	A characteristic of a Fund, where the Investment Manager considers the contribution of investments to one or more of the SDGs as part of the Fund's investment strategy. Whether or not this characteristic is binding and which SDGs are considered is described in the precontractual annex to the relevant Fund Supplement.
SDGs	The United Nations Sustainable Development Goals. A collection of 17 sustainability goals, which include a range of environmental and social objectives.
SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended.
Sustainable	One of M&G's ESG Fund categorisations, as explained on M&G's website. In order to be categorised as Sustainable by M&G, Funds will allocate to investments that are expected to have a positive contribution to environmental and/or social objectives.
Sustainability Factors	Environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.
Stewardship and Engagement	<p>Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.</p> <p>Engagement refers to interactions between the investor and current or potential investees (which may be companies, governments, municipalities, etc.) on ESG Factors. Engagements are undertaken to influence (or identify the need to influence) ESG practices and/or improve ESG disclosure.</p> <p>The Funds are managed with an active ownership approach to engagement and voting.</p>
Taxonomy Regulation	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, as may be amended from time to time.
Weighted Average Carbon Intensity (WACI)	Carbon intensity is the measure of a company's carbon emissions produced in relation to its product sales. A Fund's WACI is calculated by aggregating the carbon intensity of the

portfolio holdings, weighting the contribution of each holding by reference to its percentage of the Fund's Net Asset Value. Certain portfolio holdings may be excluded from this calculation, for example where appropriate data is not available, which will be disclosed when reporting to investors.

Appendix 2: Calculation of Performance Fees

In respect of certain Funds and certain Share Classes, the Management Company is entitled to receive from the net assets of each Fund or Share Class an annual Performance Fee which, if applicable, will be calculated and accrued each Valuation Day and payable to the Investment Manager annually in arrears at the end of an annual accounting period.

The Performance Fee is calculated based on a percentage of the increase in the Net Asset Value per share of each relevant share class above both its High Water Mark and Hurdle.

The rate at which the Performance Fee shall be applied (the "Performance Fee Rate") for each Share class and the Hurdle are set out in the "Performance Fees" section of the relevant Fund Supplement

Calculation of the Performance Fee

The Performance Fee is calculated based on the performance of each relevant Share Class of certain Funds over the relevant accounting period and is paid only after consideration of all other payments out of the Net Asset Value of the Fund. The Performance Fee is calculated and accrued daily in the price of each relevant Share Class and is paid to the Investment Manager annually in arrears at the end of an annual accounting period or it may be paid when relevant Shares in issue are cancelled, or upon Fund closure or merger at the discretion of the Directors.

The Performance Fee is calculated for each relevant Share Class on the basis of the unadjusted Net Asset Value per Share, i.e. before any swing pricing (as described in the section "Swing Pricing and Dilution Levy") that might be applied to the Net Asset Value per Share to mitigate the effects of transaction costs.

If on any given Dealing Day the Net Asset Value per Share of a relevant Share Class is below either its High Water Mark or Hurdle, no Performance Fee will accrue. A Performance Fee will not then be accrued until the Net Asset Value per Share of that Share Class exceeds both its High Water Mark and Hurdle.

The cumulative Performance Fee that accrues from the beginning of an annual accounting period will be included in the calculation of the Net Asset Value of each relevant Share Class in an applicable Fund.

Any negative performance of a Share Class below the greater of its High Water Mark or Hurdle on any Dealing Day in the accounting period will be set against any prior positive performance, thereby reducing the Performance Fee per Share accrual. If relevant Shares have been issued or cancelled, any reduction to the accrued fee as a result of negative performance will not match the amount previously accrued.

Where the Management Company cancels relevant Shares, any accrued Performance Fee with respect to such cancelled Shares will crystallise on that Dealing Day and may then become payable to the Investment Manager. The total Performance Fee accrued during an Annual Accounting Period will never be less than zero.

Since the Net Asset Value per Share will differ between Share Classes, the amount of Performance Fee payable will differ between Share Classes. There is no maximum monetary cap on the Performance Fee that may be charged to a relevant Share Class of an applicable Fund.

Changes to the Performance Fee methodology will be notified to Shareholders.

The Hurdle

The calculation methodology of the initial Hurdle for each relevant Share Class is disclosed in the applicable Fund Supplement.

Every day thereafter, each relevant Share Class's Hurdle will be adjusted by one-365th (or one-366th if it is a leap year) of the previous day's Hurdle Rate.

If the day is not a Dealing Day, the Management Company will take the adjustment into account on the next Dealing Day.

If at the end of an accounting period the High Water Mark for a relevant Share Class is increased, the Hurdle for that Share Class will be reset to the new High Water Mark adjusted by one-365th (or one-366th if it is a leap year) of the previous day's Hurdle Rate.

Each day thereafter, the Hurdle will be adjusted as described in this paragraph.

Increase of the High Water Mark

The High Water Mark of each relevant Share Class may be revised annually at the Company's accounting reference date, or the Dealing Date immediately prior to this date where it is not a Dealing Day.

Where at the annual accounting reference date the Net Asset Value per Share of a relevant Share Class is higher than both its current High Water Mark and its Hurdle, the High Water Mark will be revised to equal the Net Asset Value per Share on the annual accounting reference date.

Where at the annual accounting reference date the Net Asset Value per Share of a relevant Share Class is lower than or equal to either its current High Water Mark or Hurdle, the High Water Mark will remain unchanged.

The initial High Water Mark of a Share Class will be equal to the Net Asset Value per Share of the Share Class on its launch date. The current High Water Mark for each Share Class will be published on our website.

In summary, the method of calculation of the Performance Fee for each relevant Share Class will be:

- That calculation carried out each Dealing Day of the increase or decrease in the Net Asset Value per Share Class (Pre-Performance Fee Net Asset Value per Share³ less previous Dealing Day's Net Asset Value per Share) multiplied by the number of shares in issue in the Share Class on that Dealing Day multiplied by the Performance Fee rate, with reference to the greater of the High Water Mark and the Hurdle.
- If this calculation is positive then the Performance Fee accrual will increase by that amount.
- If this calculation is negative then the Performance Fee accrual will be reduced by that amount however, the reduction in the accrual will not exceed the cumulative value of the previously accrued Performance Fee in that accounting period.
- Where a positive change in Net Asset Value described above causes the Net Asset Value per Share to move from a position below the High Water Mark and Hurdle to a position above the greater of the High Water Mark and Hurdle, a positive accrual will be calculated only on the proportion of the performance that exceeds the greater of the High Water Mark and Hurdle.
- Where a negative change in Net Asset Value described above causes the Net Asset Value per Share to move from a position above the greater of the High Water Mark and Hurdle to a position below the greater of the High Water Mark and Hurdle, the reduction in the accrual will only be calculated on the proportion of the performance fall down to the greater of the High Water Mark and Hurdle.

Crystallisation of the Performance Fee occurs on the last day of the Annual Accounting Period or may occur on the cancellation of relevant Shares and becomes payable to the Management Company (for the benefit of the Investment Manager) out of the net assets of the relevant Share Class. Once the Performance Fee has crystallised no refund will be made in respect of any Performance fee paid out at that point in subsequent performance periods.

³ Pre-Performance Fee Net Asset Value per Share: For each share class in respect of which a performance fee is payable, the Net Asset Value per Share including any previously accrued Performance Fee, but prior to that day's performance fee calculation.

The simplified examples below show how the Performance Fee is calculated and illustrate the experience of an investor buying and selling one Share Class of a Fund on a range of Dealing Days.

Performance illustration

	A	B	C	D (31/03)	E	F	G	H (31/03)
NAV per Share before adjustment for the day's Performance fee (Pre-PF NAV)	100.00	110.00	97.00	105.00	114.00	107.00	98.00	98.99
High Water Mark (HWM)	100.00	100.00	100.00	100.00	104.01	104.01	104.01	104.01
Hurdle Rate (e.g. SOFR)	5%	5%	5%	10%	10%	10%	10%	10%
Hurdle	100.01	100.02	100.03	100.06	104.04	104.07	104.10	114.95
Performance Fee (PF*) accrued	0.00	2.00	0.00	0.99*	1.99	0.99	0.00	0.00
NAV per Share	100.00	108.00	99.00	104.01	112.01	108	98.99	98.99

Note that valuation points A to C represent the three days immediately prior to the final day of an annual accounting period (valuation point D), valuation points E to G represent the first three days of the new annual accounting period, and valuation point H represents the end of that annual accounting period 362 days later.

* PF is crystallised and paid on the last day of accounting period.

Description of Valuation Points

Valuation Point A

Pre-PF Net Asset Value per Share is 100 at the start of the period and therefore the High Water Mark (HWM) is set at 100 and the Hurdle is set at 100.01, which is 100.00 increased by $(100.00 \times 5\%)/365$.

Valuation Point B

The current day's Pre-PF Net Asset Value per Share has risen to 110. As this is above both the HWM and the Hurdle, the Performance Fee accrual is 2 (20% of the difference between the Pre-PF Net Asset Value and the Hurdle; $9.98 \times 20\%$).

The Net Asset Value per Share is therefore 108 ($110 - 2$) and investors buy Shares at a price based upon this.

Valuation Point C

The current day's Pre-PF Net Asset Value per Share has fallen to 97.

As this is below the Hurdle, a Performance Fee is not due, and the Performance Fee accrual of 2 is repaid.

The Net Asset Value per Share is now 99 ($97 + 2$).

Valuation Point D

The Hurdle Rate (e.g. SOFR) has increased to 10% causing a larger adjustment to the Hurdle than previous days; $(100.03 \times 10\%)/365$. The current day's Pre-PF Net Asset Value per Share has risen to 105. This is back above both the HWM and the Hurdle and a Performance Fee of 0.99 ($4.94 \times 20\%$) is due on the gain above the Hurdle. The Net Asset Value per Share is therefore 104.01 ($105 - 0.99$).

As this is the last day of the Company's annual accounting period, the 0.99 fee is crystallised and paid to the Investment Manager.

The HWM is also reset to 104.01, the current Net Asset Value per Share.

Valuation Point E

The current day's Pre-PF Net Asset Value per Share has risen to 114. As the HWM has been reset at the previous day's Net Asset Value per Share of 104.01, the Hurdle is also increased to 104.01 plus one-365th of SOFR.

The Performance Fee charged is 1.99 ($9.96 \times 20\%$) and the Net Asset Value per Share is 112.01 ($114 - 1.99$).

Valuation Point F

The Pre-PF Net Asset Value per Share has fallen to 107. Although still above the current HWM and Hurdle, the Pre-PF Net Asset Value per Share has fallen by 5.01 from the previous day's Net Asset Value per Share of 112.01. 1 ($5.01 \times 20\%$) of the 1.99 Performance Fee accrual is repaid and the remaining balance is 0.99.

As part of the accrued Performance Fee is paid back, the Net Asset Value per Share is now 108 ($107 + 1$).

Valuation Point G

The Pre-PF Net Asset Value per Share has fallen to 98.

As this is below both the current HWM and Hurdle, a Performance Fee is not due, and the Performance Fee accrual of 0.99 is repaid and added to the Net Asset Value per Share.

The 0.99 Performance Fee that was crystallised and paid by the Management Company to the Investment Manager at point D is not repaid as that was in the previous accounting period.

Valuation Point H

This represents the end of the annual accounting period, 362 days after valuation point G. It assumes that performance has remained flat during the intervening period and so no performance fee has accrued or been returned.

Each day the Hurdle has been increased by one-365th of the Hurdle Rate.

As the Net Asset Value per Share at the end of this accounting period is below the HWM, neither the HWM nor the Hurdle are reset for the next accounting period. If SOFR were to remain at 10%, the Hurdle at the next valuation point would be 114.98.

Description of PF Impact on Investor Experience

NB: buying and selling prices in these examples are assumed to be equal to the Net Asset Value per Share.

Investor 1 - Invests at point A and sells at point B

Buys at 100 and sells at 108.

As the Pre-PF Net Asset Value per Share has increased above the Hurdle (100.02), a Performance Fee of 2 ($((110 - 100.01) \times 20\%) = 2$) is incurred at point B.

Investor 2 - Invests at point A and sells at point C

Buys at 100 and sells at 99.

Investor 2 sells below the price they initially paid for their investment and a Performance Fee is not due as the Pre-PF Net Asset Value per Share is below the HWM and the Hurdle.

Investor 3 - Invests at point C and sells at point D

Buys below the HWM and Hurdle at 99 and sells at 104.01.

Although Investor 3's Pre-PF gain is 6 ($105 - 99$), a Performance Fee of only 0.99 is payable as the Performance Fee is only payable on any gain above the greater of the HWM and the Hurdle ($((105 - 100.06) \times 20\%) = 0.99$).

Investor 4 - Invests at point D and sells at point F

Buys at 104.01 on the day that the reset of the HWM and Hurdle occurs and sells at 108.

Point E: There has been a 9.96 increase from the Hurdle (104.04) to the current day's Pre-PF Net Asset Value per Share (114). Therefore a 1.99 PF has been incurred ($((114 - 104.04) \times 20\%) = 1.99$). The 1.99 accrual is subtracted from the Pre-PF Net Asset Value per Share of 114 to end at the Net Asset Value per Share of 112.01 ($114 - 1.99$).

Point F: There has been a 5.01 decrease from the previous day's Net Asset Value per Share (112.01) to the current day's Pre-PF Net Asset Value per Share (107). Therefore a PF accrual of 1 should be repaid $((107 - 112.01) \times 20\% = 1)$. 1 of the accrual is added to the Pre-PF Net Asset Value per Share of 107 to end at a Net Asset Value per Share of 108 $(107 + 1)$. A Performance Fee of 0.99 still remains.

A 0.99 Performance Fee has been paid in total from points D-F.

Investor 5 - Invests at point A and sells at point F

Buys at 100 and sells at 108.

Point A through C: No PF has been charged.

Point D: Although the previous day's Net Asset Value per Share is 99, it is below the HWM and Hurdle. A PF is only charged once the Net Asset Value exceeds the HWM and Hurdle, which are 100 and 100.06 respectively. Therefore, there has been a 4.94 increase from the previous day's Net Asset Value per Share that is above the greater of the HWM or the Hurdle $(105 - 100.06 = 4.94)$ to the current day's Pre-PF Net Asset Value per Share (105). Therefore a 0.99 PF has been incurred $((105 - 100.06) \times 20\% = 0.99)$. As this is the end of the accounting period, the accrued PF is paid to the Investment Manager and the HWM is reset to 104.01, the Net Asset Value per Share $(105 - 0.99)$.

Point E: There has been a 9.96 increase above the Hurdle (104.04) to the current day's Pre-PF Net Asset Value per Share (114). Therefore a 1.99 PF has been incurred $((114 - 104.06) \times 20\% = 1.99)$. The 1.99 accrual is subtracted from the Pre-PF Net Asset Value per Share of 114 to end at the Net Asset Value per Share of 112.01 $(114 - 1.99)$.

Point F: There has been a 5.01 decrease from the previous day's Net Asset Value per Share (112.01) to the current day's Pre-PF Net Asset Value per Share (107). Therefore a PF accrual of 1 should be repaid $((107 - 112.01) \times 20\% = 1)$. An accrual of 1 is added to the Pre-PF Net Asset Value per Share of 107 to end at the Net Asset Value per Share of 108 $(107 + 1)$. A Performance Fee of 0.99 remains accrued.

A 1.98 Performance Fee has been paid in total from points A-F (0.99 from point A through D and 0.99 from points E through F).

Investor 6 - Invests at point A and sells at point G

Buys at 100 and sells at 98.99. At the end of the Company's first annual accounting period (point D) a Performance Fee of 0.99 has been incurred $(105 - 100.06 \times 20\% = 0.99)$. This is paid to the Investment Manager and the HWM is reset to 104.01. From point D to point G, a Performance Fee is not incurred as the price is lower than the HWM and the Hurdle. A 0.99 Performance Fee has been paid in total from points A-G.

Further details of the Performance Fee are available from the Management Company on request.