M&G (Lux) Investment Funds 1

Information Memorandum

For Singapore investors only.
To be read in conjunction with the Prospectus dated 28 July 2026 for M&G (Lux) Investment Funds 1

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Important information for Singapore investors

The Information Memorandum relates to the following sub-funds (the "**Funds**") of M&G (Lux) Investment Funds 1 (the "**Company**"):

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- M&G (Lux) Asian Fund
- M&G (Lux) European Strategic Value Fund
- M&G (Lux) Global Artificial Intelligence Fund
- M&G (Lux) Global Dividend Fund
- M&G (Lux) Global Emerging Markets Fund
- M&G (Lux) Global Listed Infrastructure Fund
- M&G (Lux) Global Maxima Fund
- M&G (Lux) Global Sustain Paris Aligned Fund
- M&G (Lux) Global Themes Fund
- M&G (Lux) Japan Fund
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Each Fund is a restricted scheme under the Sixth Schedule to the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations of Singapore.

The following Funds (together, the "Recognised Funds") are recognised by the Monetary Authority of Singapore ("MAS"). All other funds are not authorised or recognised by the MAS. Notwithstanding the status of the Recognised Funds, the offer or invitation that is the subject of this Information Memorandum is not allowed to be made to the retail public in Singapore.

- M&G (Lux) Asian Fund
- M&G (Lux) Dynamic Allocation Fund
- M&G (Lux) Emerging Markets Bond Fund
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The offer or invitation of the shares (the “Shares”) of the Funds, which is the subject of this Information Memorandum, does not relate to a collective investment scheme which is authorised under Section 286 of the Securities and Futures Act, Chapter 289 of Singapore, as amended or modified (the “SFA”) or recognised under Section 287 of the SFA.

This Information Memorandum and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply. You should consider carefully whether the investment is suitable for you.

This Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than:

(i) to an institutional investor (as defined in the SFA) under Section 304 of the SFA;

(ii) to a relevant person (as defined in Section 305(5) of the SFA), pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA, and where applicable, the conditions specified in Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018; or

(iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Shares are subscribed or purchased under Section 305 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in 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

(b) 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 Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be

transferred within six months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 305 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 305A(5) of the SFA; or

(5) as specified in Regulation 36A of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

The Shares are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The Company is an investment company incorporated in the Grand Duchy of Luxembourg. The business address of the Company is c/o M&G Luxembourg S.A., 16, boulevard Royal, L-2449 Luxembourg, Luxembourg. The Company is regulated by the Commission de Surveillance du Secteur Financier (the "CSSF") under Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time.

The management company of the Company, M&G Luxembourg S.A. (the "**Management Company**"), is responsible for managing and administering the Company's affairs in accordance with the applicable laws and regulations. The Management Company is a public limited company limited by shares incorporated in Luxembourg and is authorised and regulated by the CSSF.

The Management Company has appointed M&G Investment Management Limited as investment manager (the "**Investment Manager**") to manage and invest the assets of the Funds pursuant to their respective investment objectives and policies. 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. The list of appointed sub-investment managers and investment advisers is available on the M&G website at:

https://www.mandg.com/dam/investments/professional-investor/sg/en/documents/funds-literature/mandg-lux-if1-singapore-as-sub-investment-manager.pdf

M&G Investments (Singapore) Pte. Ltd. has been appointed as sub-investment manager for the Funds mentioned on the abovementioned website and will act as follows:

- 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 the said asset (including, but not limited to: (i) company-specific events such as material non-conforming datapoints, 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.

The depositary, State Street Bank International GmbH, Luxembourg Branch (the “Depositary”), is responsible for the safekeeping of the property of the Company entrusted to it.

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 depositary. 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.

The Company may enter into side letters that may further qualify the relationship between the Funds and selected investors. The purpose of side letters is to vary the terms of a contract in accordance with the provisions of that particular contract’s variations clause. The side letter will usually be signed by all parties to the contract.

The contact details of the regulator is as follows:
CSSF
283, route d-Arlon L-1150 Luxembourg
Telephone no: (+352) 26 251 2601

Please note that this Information Memorandum incorporates the attached Prospectus of the Company. Investors should refer to such attachment for particulars on (i) the risks of subscribing for or purchasing the Shares in the Funds;

(ii) the conditions, limits and gating structures for redemption of the Shares; (iii) the fees and charges that are payable by investors and payable out of the Funds; and (iv) where the annual reports and half-yearly reports of the Funds may be obtained.

Investors may obtain information on the past performance (where available) of the Funds from https://www.mandg.com/investments/professional-investor/en-sg/solutions/our-funds

Investors should also refer to the attached Prospectus for the investment objective and focus in relation to each of the Funds.

Details of the investment approach of each of the Funds are set out in the section headed “Fund Information” contained within this Information Memorandum.

Investors should note that only Shares in the Funds shown are being offered pursuant to this Information Memorandum.

Fund information

Equity Funds

M&G (Lux) Asian Fund

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 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 top-down views.

M&G (Lux) European Strategic Value Fund

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.

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.

The main drivers of returns are expected to be the value style and overall stock selection rather than any individual sector or stock.

M&G (Lux) Global Artificial Intelligence Fund

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.

M&G (Lux) Global Dividend Fund

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.

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.

M&G (Lux) Global Emerging Markets Fund

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 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 top-down views.

M&G (Lux) Global Listed Infrastructure Fund

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.

M&G (Lux) Global Maxima Fund

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.

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.

M&G (Lux) Global Sustain Paris Aligned Fund

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.

M&G (Lux) Global Themes Fund

The investment approach combines thematic research and fundamental company analysis. 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 stockmarket. The Fund aims to be diversified across a broad range of countries and sectors.

M&G (Lux) Japan Fund

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 fundamental analysis. Attaining an understanding of a company's sustainable earnings ensures our fundamental analysis leads to a high level of conviction for each of the companies held in the Fund.

The Investment Manager aims to construct a reasonably diversified portfolio and expects stock selection to be the main driver of performance.

M&G (Lux) North American Dividend Fund

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 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.

M&G (Lux) North American Value Fund

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.

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. The main driver of returns is expected to be the value style and overall stock selection rather than any individual sector or stock.

M&G (Lux) Pan European Sustain Paris Aligned Fund

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.

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.

M&G (Lux) Positive Impact Fund

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.

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.

Convertible Funds

M&G (Lux) Global Convertibles Fund

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.

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. For the convertible bond to provide downside protection the company's credit quality is also analysed and monitored.

The Investment Manager has no set geographical guidelines or limits determined by macroeconomic or sector views.

Fixed Income Funds

M&G (Lux) Emerging Markets Bond Fund

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.

M&G (Lux) Emerging Markets Corporate Bond Fund

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).

M&G (Lux) Emerging Markets Hard Currency Bond Fund

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.

M&G (Lux) Emerging Markets Local Currency Bond Fund

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 emerging market bond markets.

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.

M&G (Lux) Euro Corporate Bond Fund

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.

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.

M&G (Lux) European Inflation Linked Corporate Bond Fund

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.

M&G (Lux) Global Credit Investment Fund

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.

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

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.

M&G (Lux) Global High Yield Bond Fund

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.

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.

M&G (Lux) Global Macro Bond Fund

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.

M&G (Lux) Optimal Income Fund

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.

Individual credit selection based on bottom-up analysis of the corporate bond markets by in-house credit analysts complements the Investment Manager's views.

M&G (Lux) responsAbility Sustainable Solutions Bond Fund

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.

M&G (Lux) Short Dated Corporate Bond Fund

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.

M&G (Lux) Sustainable Global High Yield Bond Fund

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.

M&G (Lux) US Corporate Bond Fund

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.

The Fund is diversified by investing in a range of issuers, sectors and geographies. An inhouse team of credit analysts assists the Sub-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 Fund Supplements 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.

M&G (Lux) US High Yield Bond Fund

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.

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. 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.

Multi Asset Funds

M&G (Lux) Dynamic Allocation Fund

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%.

M&G (Lux) Episode Macro Fund

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.

M&G (Lux) Global Target Return Fund

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 Investment 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%.

M&G (Lux) Income Allocation Fund

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.

M&G (Lux) Sustainable Allocation Fund

The Fund’s approach to sustainable investment is explained in the precontractual annex to this Fund Supplement.

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. The Fund’s annualised volatility is expected to be between 4% and 9%, over any five-year period.

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

28 July 2026

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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 errors/non-compliance within the meaning of CSSF Circular 24/856 may be impacted.

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: unless otherwise disclosed in this Prospectus or other supplementary documents thereto, this Prospectus contains information on Funds that may not be authorised by the Securities & Futures Commission of Hong Kong (the "SFC") pursuant to Section 104 of the Securities and Futures Ordinance ("SFO").

No offer shall be made to the public of Hong Kong in respect of the unauthorised Funds. Such unauthorised Funds may only be offered or sold in Hong Kong to persons who are "professional investors" as defined in the SFO (and any rules made under the SFO) or in other circumstances which do not otherwise contravene the SFO or any other applicable laws in Hong Kong.

In addition, this Prospectus of such unauthorised funds may only be distributed, circulated or issued to persons who are "professional investors" under the SFO (and any rules made thereunder) or as otherwise permitted under the Hong Kong laws.

In relation to the offering of such unauthorised Funds, the contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this material, you should obtain independent professional advice. 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.

- 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 Dootingh, 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

Marcello Arona
Matthias Dörscher
Micaela Forelli
Tara Hesse
Darren Judge
Keith Burman, independent director

Conducting Officers of the Management Company

Matthias Dörscher – IT, including Distribution Operations
Micaela Forelli – Branch Oversight and Marketing
Silvia Hermeneanu - Portfolio Management
Olalekan Hassan - Finance
Darren Judge – Operations and Valuation
Nicolas Kerschen – Risk Management
Elina Vincent - Financial Crime Compliance and 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

M&G Investments (Hong Kong) Limited
Unit 1002, LHT Tower
31 Queen's Road Central
Central, Hong Kong

Investment Adviser

responsAbility Investments AG
Zollstrasse 17
8005 Zürich
Switzerland

Administrator

State Street Bank International GmbH, Luxembourg Branch
17, boulevard de Kockelscheuer
L-1821 Luxembourg

Depositary

State Street Bank International GmbH, Luxembourg Branch
17, boulevard de Kockelscheuer
L-1821 Luxembourg
Luxembourg

Registrar and Transfer Agent

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

Auditor

Ernst & Young S.A.
35E, avenue J.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. The Administrator is notably responsible for the calculation of the Net Asset Value of the Shares of the Funds, as well as the accounting of the Company, as detailed in the section "Company legal and operational structure – Administrator".
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 Depositary and Clearing Corporation Limited.
CSSF	The Luxembourg *Commission de Surveillance du Secteur Financier* 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 specified in a Fund Supplement.
Depositary	State Street Bank International GmbH, Luxembourg Branch
Depositary Agreement	The depositary agreement dated 5 December 2016 pursuant to which the Depositary is appointed to provide depositary 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	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: • 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. 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.

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	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. Typically, the most tradable currencies in the world are the US Dollar, Euro, Japanese Yen, British Pound, Swiss Franc, Canadian Dollar and Australian Dollar.
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	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: • 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	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: • 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 The Registrar and Transfer Agent is responsible for the registrar function as detailed in the section "Company legal and operational structure – Registrar and Transfer Agent".
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	Refers to Renminbi, the official currency of the PRC, which is traded in two distinct markets: • onshore Renminbi (CNY): traded within Mainland China • offshore Renminbi (CNH): traded outside Mainland China (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). The Yuan is the principal unit of Renminbi and is often used interchangeably with RMB in practice.
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	Shall mean: • 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	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". Where a Fund's benchmark is part of the policy, this is stated in the investment objective in the section "Fund Supplements".
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	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. 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.
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	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. 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. 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.
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	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. 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.
distressed debt security	A distressed debt security is a debt instrument issued by a company or government entity with a credit rating of CC or lower, based on the highest rating assigned by Standard & Poor's, Moody's, or Fitch. In the absence of an external rating, the Investment Manager's internal rating will be used.
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	Countries with less established financial markets and investor protections, as determined by the Investment Manager. 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. 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.
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.
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	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. The purchase of securities and the simultaneous commitment to sell the securities back at an agreed price on an agreed date.
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	A United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. Further information can be obtained from the following website.
United Nations Sustainable Development Goals	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. Further information can be obtained from the following website.
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 Dootingh, 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 (including the client communication function) 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 section "Investment Adviser" below).

The list of appointed sub-investment managers and investment advisers is available on the M&G website.

M&G Investments (Singapore) Pte. Ltd., M&G Investments (USA) Inc. and M&G Investments (Hong Kong) Limited have been appointed to act as sub-investment managers (individually referred as the "Sub-Investment Manager", and collectively the "Sub-Investment Managers") for the Funds mentioned on the abovementioned website.

The Sub-Investment Managers have also been appointed and act as Sub-Investment Managers for the Funds mentioned on the abovementioned website in case of i) a Material Event and/or ii) to ensure the continuity of service and expediency.

(i) Appointment as Sub-Investment Manager in case of a Material Event:

- a Material Event (as defined in the paragraph below) has occurred and the relevant Sub-Investment Manager 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; or
- a Material Event has occurred and the relevant Sub-Investment Manager is unable to contact the Investment Manager.

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).

(ii) Appointment as Sub-Investment Manager to ensure continuity of service and expediency:

In order to ensure continuity of service, expediency and where it is in the best interests of the Shareholders, any Sub-Investment Manager can also be instructed by the Investment Manager to act as Sub-Investment Manager for a specific Fund or part of a Fund's portfolio, for a specified period or for an unspecified period, in which case the relevant Sub-Investment Manager shall act as sub-investment manager until instructed otherwise by the Investment Manager. All Funds concerned by this arrangement will be mentioned on the abovementioned website accordingly.

In addition, under certain circumstances (such as, but not limited to the occurrence of a Material Event, operational or organisational disruption at the level of a Sub-Investment Manager or when outside of the Sub-Investment Manager's working hours, and to prevent any adverse impact on a Fund's portfolio), any Sub-Investment Manager acting for a Fund mentioned on the website may request the Investment Manager to take over the portfolio management of a Fund or a part of a Fund's portfolio for a specified or unspecified period of time to ensure continuity of service, expediency and where it is in the best interests of the Shareholders.

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 on the M&G website.

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.

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 of the Company.

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.

Depositary

The Company has appointed State Street Bank International GmbH, Luxembourg Branch as Depositary 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 depositary. 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.

Depositary's functions

The Depositary shall perform all of the duties and obligations of a depositary under the UCITS Directive and the Luxembourg implementing laws and regulations with respect to each Fund.

The Depositary 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 depository 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 general administrative duties related to the administration of the Company required by the Luxembourg laws and regulations, including (i) the calculation of the Net Asset Value of the Shares of the Funds and (ii) the provision of accounting services to the Company.

The Administrator may delegate all or part of its functions to affiliates subject to the conditions set forth in the Administration Agreement,

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/Management 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 applicant may be required to indemnify the Company against any losses, costs or expenses incurred, directly or indirectly, as a result of the applicant's failure to effect settlement or to effect settlement in a timely manner, as conclusively determined by the Directors or by the Management Company, acting at their entire discretion. In such circumstances, the Company or the Management Company may also redeem the Shares issued, and shall retain the right to claim the subscription fees, any applicable commissions or any other costs and losses incurred. In calculating such losses, costs, or expenses, due account shall be taken, where appropriate, of any movement in the price of the Shares between the date of allotment of the Shares and the date of cancellation or redemption, as well as any costs incurred by the Company in taking proceedings against the applicant.

The Company and the Management Company reserve the right to reject any application in whole or part at their 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 India Ireland France Luxembourg Malaysia Poland United Kingdom	• 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

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 switching charge may be applied for distribution in certain countries and/or through certain distributors.

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:

$$S = \frac{(R \times P)}{SP}$$

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.
- 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, 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 Business Day prior to 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 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 17;
- M&G (Lux) Fixed Maturity Bond Fund 18;
- M&G (Lux) Fixed Maturity Bond Fund 19;
- M&G (Lux) Fixed Maturity Bond Fund 20;
- M&G (Lux) Fixed Maturity Bond Fund 21;
- M&G (Lux) Fixed Maturity Bond Fund IG 2031;
- M&G (Lux) Fixed Maturity Bond High Yield Fund 2031; and
- M&G (Lux) Asian Fixed Maturity Bond Fund 7.

Fees and Expenses taken from the Fund

Depositary's Fees

Unless otherwise specified in the relevant Fund Supplement, the Depositary takes a charge from each Fund as payment for its duties as depositary. This is called the Depositary's Charge.

The Depositary's Charge is based on the Net Asset Value of each Fund, and in normal circumstances, the fees payable to the Depositary for its provision of services shall be subject to a maximum of 1 basis point.

The Depositary's Charge is calculated and taken into account daily on the same basis as described in the above section "Annual Management Charge".

The Depositary 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 Depositary 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 Depositary or custodian;
- Collection and distribution of income and capital;
- Submission of tax returns and handling tax claims;
- Such other duties as the Depositary is permitted or required by law to perform.

Custody Charges

Unless otherwise specified in the relevant Fund Supplement, the Depositary 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 Depositary when it invoices the Fund.

Custody Transaction Charges

Unless otherwise specified in the relevant Fund Supplement, the Depositary 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 Depositary 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 be 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 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.

Depositary – Segregation, sub-custodians and insolvency risk

Where securities are held with a sub-custodian or by a securities depositary 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 Depositary is not obliged to appoint as its sub-custodians and in respect of the acts or defaults of which the Depositary shall have no liability. There may be circumstances where the Depositary is relieved from liability for the acts or defaults of its appointed sub-custodians provided that the Depositary has complied with its duties.

The Company is at risk of the Depositary 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 Depositary 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 Depositary 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.

Allocation path timing risk

The Fund reallocates from fixed income to equities on a fixed, linear schedule regardless of prevailing market conditions. As a result, the Fund may increase exposure to equity markets at times of elevated volatility or market downturns, potentially leading to suboptimal returns or capital losses.

Path-dependent market risk

As the Fund increases its equity exposure over time, overall portfolio volatility also rises. This results in a continuously increasing sensitivity to equity market fluctuations which may lead to greater variability in returns.

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 depositary 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 Cleaning Corporation Limited ("ChinaClear"), the central securities depositary 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 be 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 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.

  Delivery risk may arise if an option is assigned or exercised and the Fund is required to deliver a security it does not hold at that time. This may occur, for example, if the security was originally held as cover but was subsequently sold due to a failure in the monitoring process. In such cases, the Fund may incur a loss due to its inability to settle the transaction as required.

- 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 or repurchase and reverse repurchase transactions 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 and defaulted debt securities risk

No Fund may invest in distressed and defaulted debt securities unless this is expressly stated in the relevant Fund's investment policy.

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.

Defaulted securities are those for which the issuer failed to repay the principal and/or make interests payments.

Although investment in defaulted 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.

RMB Share Class risk

Share Classes denominated in RMB are valued with reference to CNH (offshore RMB) rather than CNY (onshore RMB).

While CNH and CNY represent the same currency, they are traded at different rates, and any divergence between CNH and CNY may adversely impact investors.

The CNH market allows investors to transact RMB outside of the PRC, RMB is currently not freely convertible and convertibility from CNH to CNY is a managed currency process subject to foreign exchange control policies and repatriation restrictions by the PRC.

Under exceptional circumstances, due to the exchange controls and restrictions applicable to RMB, payment of redemptions and/or dividend payments in RMB may be delayed, subject to the terms of the Prospectus.

Unhedged Share Classes currency risk

Investors in unhedged Share Classes will be exposed to the currency positions within the Fund relative to their Share Class Currency. This means investors will be affected by exchange rate fluctuations between the Fund's currencies and the Share Class Currency, which may have a positive or negative effect on Share Class performance.

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 trough 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 indices[1], 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 counterparty exposure in (i) a derivative transaction that is not centrally cleared through a central counterparty authorised in accordance with Article 14 of Regulation (EU) No 648/2012 or recognised in accordance with Article 25 of that Regulation, and (ii) 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 Derivatives undertaken with that body that are not centrally cleared through a central counterparty authorised in accordance with Article 14 of Regulation (EU) No 648/2012 or recognised in accordance with Article 25 of that Regulation, 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. The reference portfolio may be different from the benchmark as stated in the Fund supplements.

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 under M&G Investments Controversial Weapons Policy

All Funds in the Company are subject to M&G Investments Controversial Weapons Policy, which sets out the approach to the exclusion of companies involved in controversial weapons.

Controversial weapons are those that cause indiscriminate or disproportionate harm. The use of controversial weapons is banned in many jurisdictions under international and national laws, some of which also prohibit investment in certain types of weapons and activities. Exclusion aims to meet legal and regulatory obligations, as well as, is part of the ESG integration.

For more information please refer to M&G Investments Controversial Weapons Policy on M&G website.

4.8 Investment Restrictions Applying under M&G Investments Thermal Coal Investment Policy

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 Coal Policy applies to direct investments in publicly listed shares and bonds issued by companies. Where Funds hold other types of assets, these assets do not fall within the scope of the Coal Policy.

The Investment Manager engages with companies involved in thermal coal activities to encourage them to adopt and/or continue to implement a strategy focused on Credible Transition.

As a result of the application of the Coal Policy, the Funds are subject to additional investment restrictions. These investment restrictions are informed by quantitative screening of assets managed by the Investment Manager to determine potential risks due to thermal coal exposure. Where thermal coal exposure is identified, decisions to exclude are informed by thresholds defined in the Coal Policy and an assessment of the Credible Transition that enable the Investment Manager to assess whether a company is 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. The Investment Manager will, however, seek to sell investment in excluded companies as soon as practicable where this is required.

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 on behalf of a Fund 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)

6.4.2. Total return swaps

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 (or TRS) 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) Emerging Markets Local 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) 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) Emerging Markets Local 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) 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.

6.5 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	Corporations which are rated 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 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

[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.

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

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. The assets subject to total return swaps and collateral received are safe-kept by the Depositary or third party depositary with which the Depositary has entered into an agreement to secure its depositary obligations, as appropriate.

6.6 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.

6.7 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), net of direct and indirect operational costs and fees, will be returned to the Fund.

6.8 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. By way of derogation from the abovementioned 20% limit, a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by any Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. In such case, the relevant Fund should receive securities from at least six different

issues, but securities from any single issue should not account for more than 30% of the relevant Fund's Net Asset Value.

Permitted types of collateral include equity, 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 (including securities financing transactions), investors 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 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.

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: • for distribution in certain countries; and • through certain distributors.	EUR 1,000	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	Available to: • 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	Available to certain investors, approved by the Management Company, who: • subscribe within a certain period of the launch date of the Fund; and • meet the minimum investment criteria Offered for a restricted time only and may be at a reduced Annual Management Charge. 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.	EUR 20,000,000	EUR 50,000	EUR 20,000,000
Class EI	Available to Institutional Investors who: • 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 Offered for a restricted time only and may be at a reduced Annual Management Charge. 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.	EUR 20,000,000	EUR 50,000	EUR 20,000,000
Class G	Available with the prior written agreement of the Management Company. 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.	EUR 200,000,000	EUR 50,000	EUR 200,000,000
Class GI	Available to Institutional Investors with the prior written agreement of the Management Company. 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.	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 J	Available to: • 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. The Management Company shall not pay any fee rebates on the Class J Shares to investors. Such investors will only be able to invest in Class J Shares if they: • 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. 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.	EUR 200,000,000	EUR 50,000	EUR 200,000,000
Class JI	Available to Institutional Investors who: • 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. 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.	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 L	Available to certain investors, approved by the Management Company, who: • subscribe when the Fund is smaller than €400m in size; and • meet the minimum investment criteria 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. 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. 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.	EUR 20,000,000	EUR 50,000	EUR 20,000,000
Class LI	Available to certain Institutional Investors, approved by the Management Company, who: • subscribe when the Fund is smaller than €400m in size; and • meet the minimum investment criteria 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. 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. 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.	EUR 20,000,000	EUR 50,000	EUR 20,000,000
Class MI	Available to Institutional Investors who: • have entered into a specific prior written agreement with the Management Company (where the Class MI 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. Where an Institutional Investor's assets in the Class MI 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 MI Shares.	EUR 400,000,000	EUR 50,000	EUR 400,000,000
Class N	Available with prior agreement of the Management Company, in certain limited circumstances: • for distribution in certain countries; and • through certain distributors.	EUR 500,000	EUR 75	EUR 1,000

Class	Eligible Investors	Minimum investment and holding amounts		
		Initial investment	Additional Investment	Holding amount
Class P	Available with prior agreement of the Management Company, in certain limited circumstances: • 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: • 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. This Class has a performance fee.	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: • 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 UI	Available to Institutional Investors, with prior agreement of the Management Company, in certain limited circumstances: • for distribution in certain countries; and • through certain distributors.	EUR 500,000	EUR 50,000	EUR 500,000

Class	Eligible Investors	Minimum investment and holding amounts		
		Initial investment	Additional Investment	Holding amount
Class V	Available with prior agreement of the Management Company, in certain limited circumstances: • for distribution in certain countries; and • through certain distributors. Offered for a restricted time only at the sole discretion of the Management Company and may be at a reduced Annual Management Charge. 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. Class V Shares are automatically switched free of charge for another Share Class of the relevant Fund, as disclosed in the relevant Fund Supplement, on the date specified in the Fund Supplement. Further information is set out below in the section "Class V Shares".	EUR 1,000	EUR 75	EUR 1,000
Class W	Available to: • 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 X	Available, with prior agreement of the Management Company, in certain limited circumstances: • for distribution in certain countries; and • through certain distributors. 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. Further information is set out below in the sections "Class X Shares'' and "Class X Shares and CDSC".	EUR 1,000	EUR 75	EUR 1,000

Class	Eligible Investors	Minimum investment and holding amounts		
		Initial investment	Additional Investment	Holding amount
Class Z	Available to investors who • qualify for the Class C Shares; and • have entered into a prior written fee paying arrangement with the Management Company. 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.	EUR 20,000,000	EUR 50,000	EUR 20,000,000
Class ZI	Available to Institutional Investors who have entered into a prior written fee paying arrangement with the Management Company. 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.	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 another Share Class of the relevant Fund, as disclosed in the relevant Fund Supplement and on the date specified in the Fund Supplement. 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 the relevant Class and will be subject to the rights and obligations of such Class.

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	A Share Class which normally pays a dividend based on a predetermined annual distribution yield. 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. The level of the predetermined dividend is at the discretion of the Directors and may be reviewed periodically. Example: for a given Fund, USD A-H M **F** (predetermined yield 1) and USD A-H M **F1** (predetermined yield 2)
SP	A Share Class identified by the suffix “SP” in reference to its aim to provide a **stable payment**. 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. 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). 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. Example: USD Class A M **SP - Distribution**
SY	A Share Class is identified by the suffix "SY" in reference to its aim to provide a **stable yield**. 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. 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. 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). 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. Example: EUR Class A-H M **SY - Distribution**

Distribution Share Class Identifier	Dividend Calculation Methodology
EP	A Share Class identified by the suffix "EP" in reference to its aim to provide an **enhanced payment**. 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. 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. 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. 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. Example: USD Class A M **EP – Distribution**
EY	A Share Class identified by the suffix "EY" in reference to its aim to provide an **enhanced yield**. 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 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. 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. 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. Example: USD Class A M **EY – Distribution**

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 Class Type	Distribution Policy	Distribution Frequency*	Distribution Type**	Available currencies	Hedging Policy***
A, A2, B, C, CI, E, EI, G, GI, J, JI, K, L, LI, MI, 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 Semi-Annual (S) Quarterly (Q) Monthly (M)	Standard distribution Fixed distribution		

* 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. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For the avoidance of doubt and unless otherwise expressly disclosed in this Fund Supplement, the same provisions shall apply to successive V share classes issued in series (i.e. V2, V3…). For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any

other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible.

With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may reduce or waive the Switching Charge in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in the Fund (i.e. V2, V3..).

V Share Classes will be automatically switched free of charge for Shares of the corresponding Class A of the Fund on 30 April 2029.

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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
V	1.50%	-	See Redemption Charge Schedule below	See Redemption Charge Schedule below	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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.

Class V Redemption Charge Schedule

Shareholders who redeem from Class V Shares after the end of the IOP will be subject to a Redemption Charge from the redemption proceeds as follows:

Year	1 From 22 April 2026 to 30 April 2027	2 From 1 May 2027 to 30 April 2028	3 From 1 May 2028 to 29 April 2029
Redemption Charge	3.50%	3.00%	2.00%

The Management Company or the Directors may reduce or waive the Redemption Charge in their sole discretion.

Series of V Share Classes (V1, V2…) Redemption Charge

Shareholders who redeem from any issued series of Class V Shares (i.e. V1, V2…) could be subject to a Redemption Charge from the redemption proceeds of up to 4%, at the discretion of the Management Company. The Management Company may reduce or waive the Redemption Charge in its entire discretion.

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 V Share Classes after the end of the IOP will be subject to a Switching Charge on the switch amount as follows:

Year	1 From 22 April 2026 to 30 April 2027	2 From 1 May 2027 to 30 April 2028	3 From 1 May 2028 to 29 April 2029
Switching Charge	3.50%	3.00%	2.00%

The Management Company or the Directors may reduce or waive the Switching Charge in their sole discretion.

Series of V Share Classes (V1, V2…) Switching Charge

With the exception of the automatic switch from series of Class V (V1, V2…) into Class A as referred to in the “V Share Classes specific provisions” section above, Shareholders who switch from series of Class V (V1, V2…) could be subject to a Switching Charge of up to 4% on the switch amount, at the discretion of the Management Company.

The Management Company or the Directors may reduce or waive the Switching Charge 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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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.

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. 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.

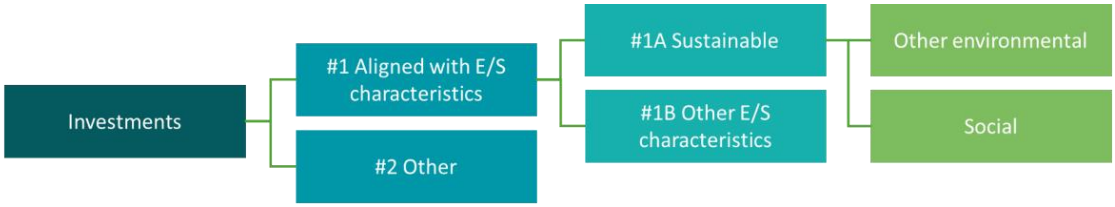
What is the policy to assess good governance practices of the investee companies?

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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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.

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.

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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

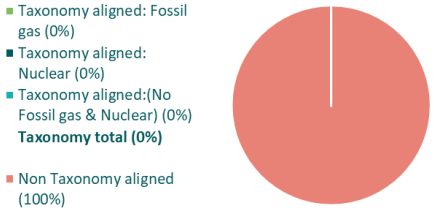
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

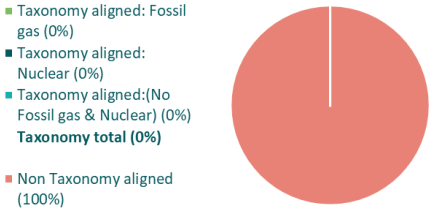
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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) Nature and Biodiversity Solutions Fund

Launch Date

12 November 2020

Investment Objective

The Fund has two aims:

- 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

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.

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 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 and as a result the Fund's performance may deviate significantly from the benchmark. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
Profile of Typical Investor	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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The

Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
N	Up to 1.75%	4.00%	-	-	-	-	0.05%	0.15%
V	1.75%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) 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 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 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.

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 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 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, completed within the last 2 years.

*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.

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.

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; 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 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 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).

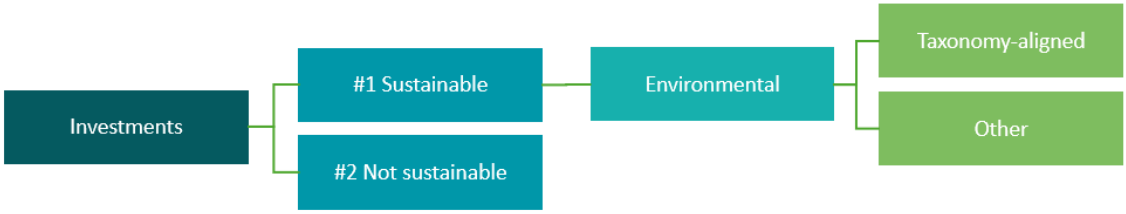
What is the asset allocation plan and minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

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.

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 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

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ **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.

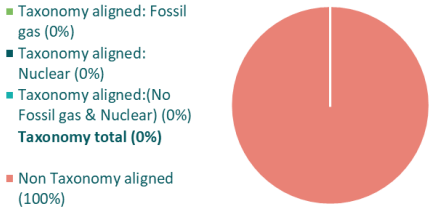
include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

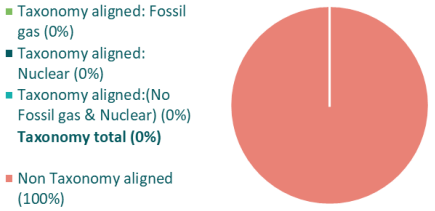
Transitional activities are activities for which low- carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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?

80%

What is the minimum share of socially sustainable investments?

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 environmental or social characteristics that they promote.

- **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	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. 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 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. 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. The main drivers of returns are expected to be the value style and overall stock selection rather than any individual sector or stock. **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 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. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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	Switching 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%
A2	2.00%	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%
MI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
N	Up to 1.50%	4.00%	-	-	-	-	0.05%	0.15%
V	1.50%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) European Strategic Value Fund
Legal Entity Identifier: 549300F39NTG0M8EIX97

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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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.

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 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.

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.

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. 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).



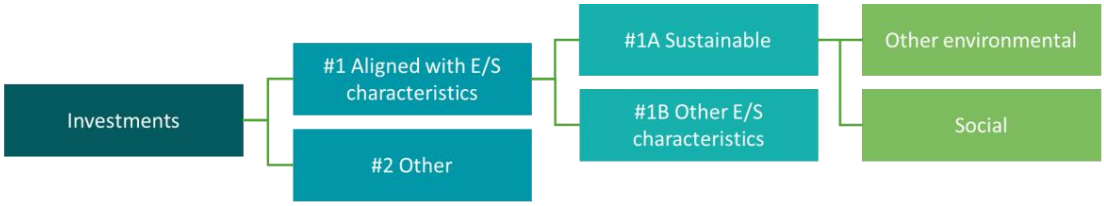
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

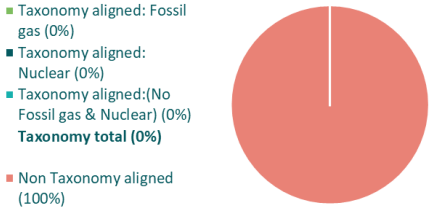
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

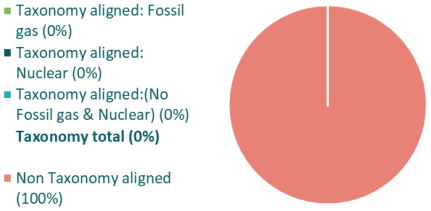
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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 Dividend Fund

Launch Date

18 September 2018

Investment Objective

The Fund has two aims:

- 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

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.

The Fund may invest up to 20% of its Net Asset Value in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

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, driven by the financial 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.

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 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. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
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, 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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in 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
- 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
V	1.75%	-	up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less.

The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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.

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 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.

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.

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).

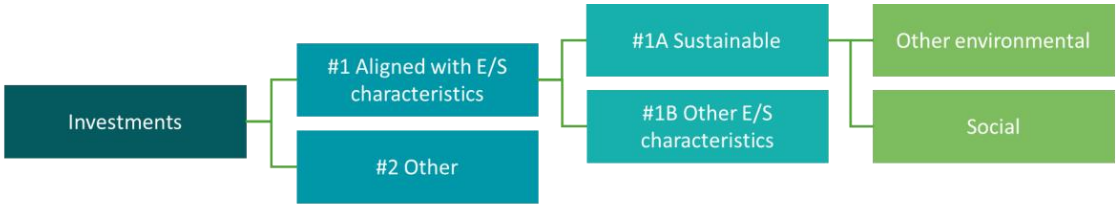
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

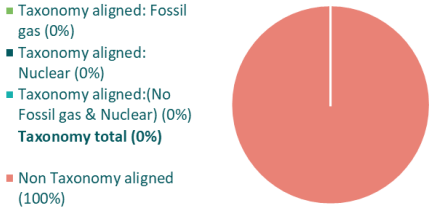
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

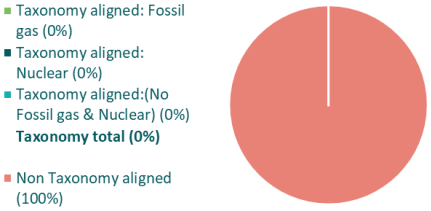
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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 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

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.

The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

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 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.

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 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. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
V	1.75%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less.

The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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.

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 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.

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.

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).

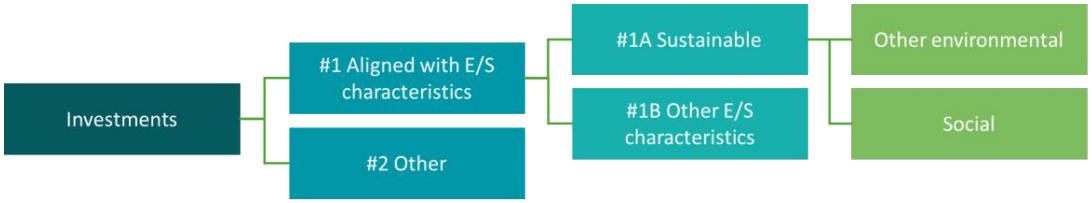
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

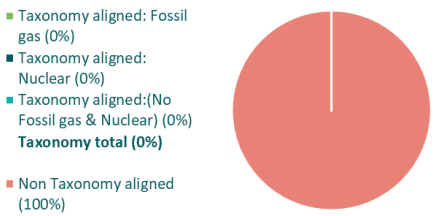
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

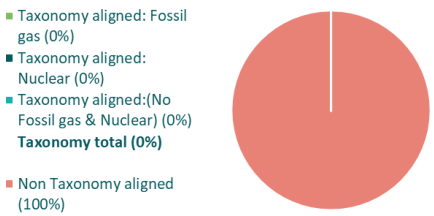
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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 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.

Benchmarks

The Benchmarks are used solely to measure the Fund's performance and do 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 and as a result the Fund's performance may deviate significantly from the Benchmark.

Whilst the Fund has a thematic focus upon infrastructure, it will be well-diversified across sectors meaning it is appropriate to have the primary benchmark as the broad market index, as the Fund will have a broad market exposure.

For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.

Primary Benchmark

MSCI ACWI Net Return Index

The Primary Benchmark is the primary comparator against which the Fund's performance can be measured. The index has been chosen as the Fund's Primary Benchmark as it best reflects the scope of the Fund's investment policy.

Additional Benchmark

FTSE Global Core Infrastructure 50/50 Net Return Index

The Additional Benchmark is an additional benchmark, for investors who may wish to see a comparison of the Fund's performance versus a listed infrastructure index.

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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section “Subscriptions” of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of “Share Classes Available for Issue” below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
N	Up to 1.75%	4.00%	-	-	-	-	0.05%	0.15%
V	1.75%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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
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").

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
- SDG-contribution: Percentage (%) of investments by value that are contributing towards an SDG

- 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.

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.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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?"; and
- 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 futher 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).

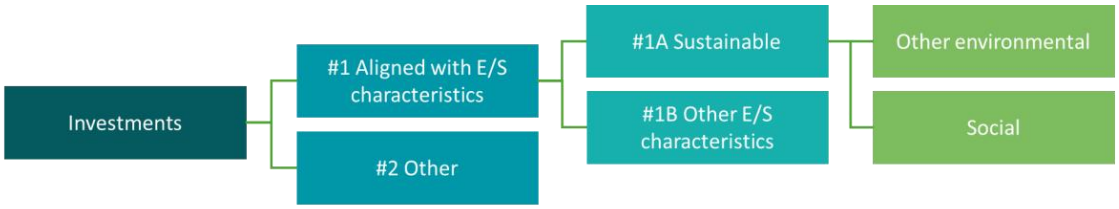


What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

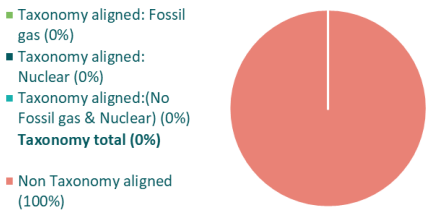
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

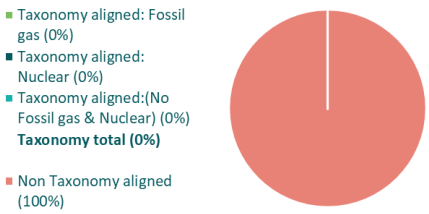
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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:
https://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

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 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.

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.

Derivatives may be used for efficient portfolio management and hedging.

Investment Strategy

Investment Approach

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.

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.

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

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 and as a result the Fund's performance may deviate significantly from the benchmark.

For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.

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.

V Share Classes specific provisions

Subscriptions:

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.
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.
For all other Share Classes, see section "Subscriptions" of the Prospectus.

Switches:

Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company.
Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible.
With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The

Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
V	1.75%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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.

* Class X specific provisions

X Shares Classes are automatically switched free of charge for Shares of Class A 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.

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 significantly from the benchmark. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
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.
V Share Classes specific provisions	**Subscriptions:** 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. 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.

For all other Share Classes, see section “Subscriptions” of the Prospectus.

Switches:

Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company.
Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible.
With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of “Share Classes Available for Issue” below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
N	Up to 1.75%	5.00%	-	-	-	-	0.05%	0.15%
V	1.75%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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.

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.

Product Name: M&G (Lux) Global Sustain Paris Aligned Fund
Legal Entity Identifier: 549300IT0OLV3HDN7Z63

Sustainable investment objective

Does this financial product have a sustainable investment objective?

●● ☐☒ Yes ●● ☐☒ No

☒ It will make a minimum of **sustainable investments with 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**

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.



What is the sustainable objective of this financial product?

To invest in companies that contribute towards the Paris Agreement climate change goal.

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 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
- Total renewable energy produced (megawatt hours)
- The weighted average carbon intensity (WACI) of the Fund relative to the WACI for the investment universe

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.

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.

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 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 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 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 https://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).



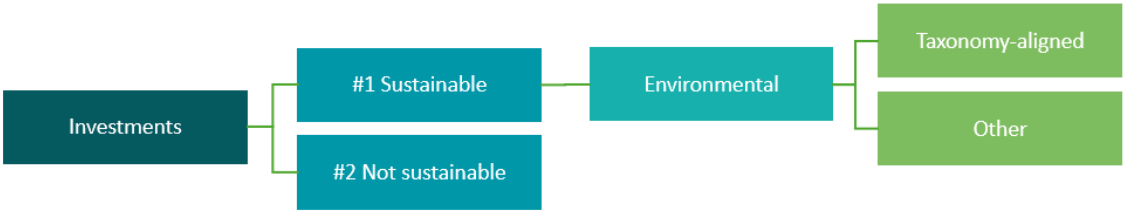
What is the asset allocation plan and minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

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.

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 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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

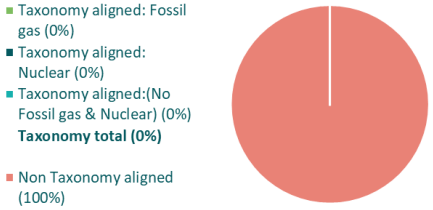
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

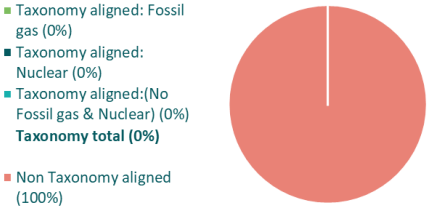
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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?

80%

What is the minimum share of socially sustainable investments?

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 environmental or social characteristics that they promote.

- **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	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 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. Derivatives may be used for Efficient Portfolio Management and hedging.
Investment Strategy	**Investment Approach** 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. **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 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. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
V	1.75%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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.

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. 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.

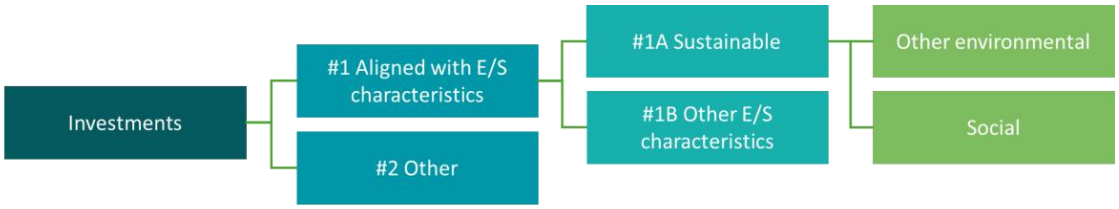
What is the policy to assess good governance practices of the investee companies?

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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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.

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.

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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

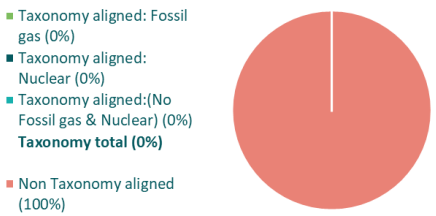
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

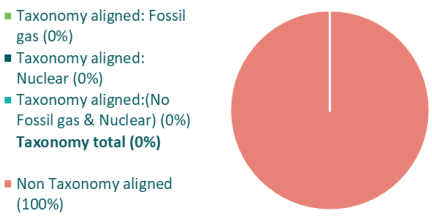
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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

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 60 stocks.

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 Investment Manager aims to take advantage of market mispricings by adopting a disciplined, long-term investment approach. 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. The Investment Manager believes that it is possible to profit systematically from such behavioural biases that are prevalent in the Japanese equity market.

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.

The Investment Manager aims to construct a reasonably diversified portfolio and expects stock selection to be the main driver of performance.

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 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. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
Profile of Typical Investor	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. 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	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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at

any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible.
With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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
- 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
V	1.50%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption Charge or Switching amount in their sole discretion.

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 A 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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 https://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.

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?

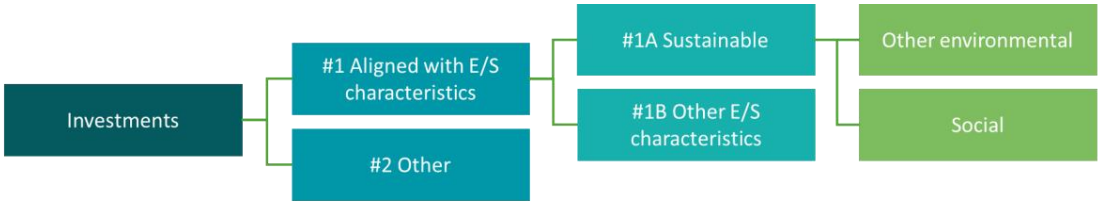
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test.

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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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.



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The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investment 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.

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.

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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

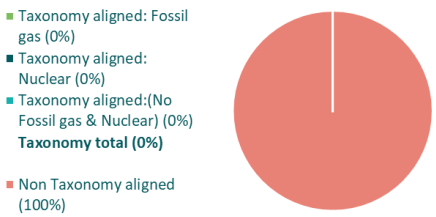
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

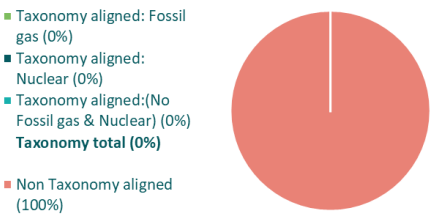
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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 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

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.

Smaller companies are defined as the bottom half in terms of total market capitalisation of all publicly listed companies in Japan.

The Fund usually holds a portfolio of fewer than 60 companies.

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

Derivatives may be used for efficient portfolio management and hedging.

Investment Strategy

Investment Approach

The Fund employs a disciplined approach to investment which concentrates on the analysis and selection of individual companies.

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.

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.

The Investment Manager expects stock selection to be the main driver of performance.

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	Russell/Nomura Mid-Small Cap 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. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
Profile of Typical Investor	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. 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	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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the

switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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
- 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
V	1.50%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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.

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 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.

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.

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.
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 investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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.

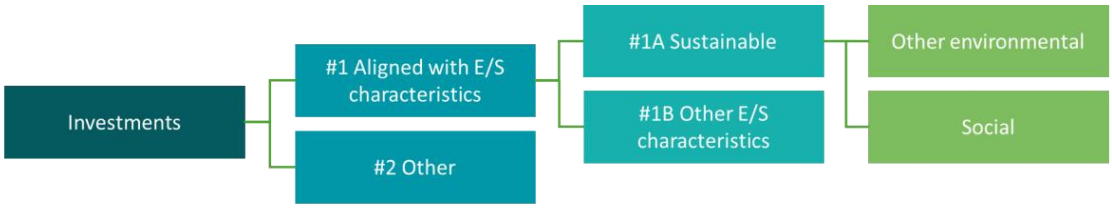
What is the policy to assess good governance practices of the investee companies?

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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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.

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.

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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

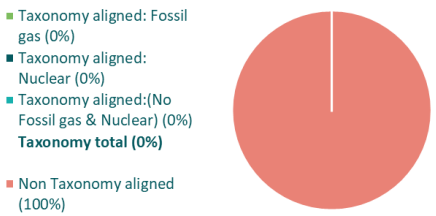
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

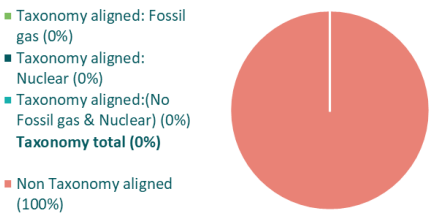
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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) North American Dividend Fund

Launch Date

9 November 2018

Investment Objective

The Fund has two aims:

- 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

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.

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

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.

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.

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

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. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in 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
- 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
V	1.50%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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.

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.
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 investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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.

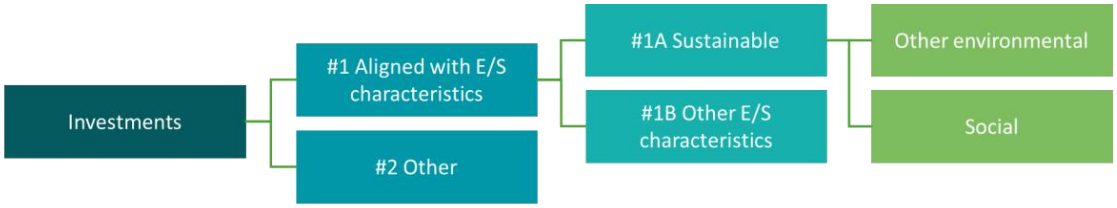
What is the policy to assess good governance practices of the investee companies?

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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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.

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.

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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

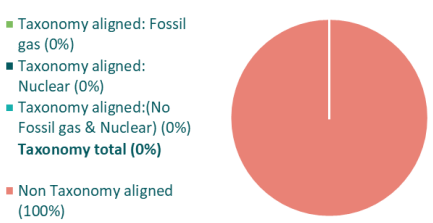
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

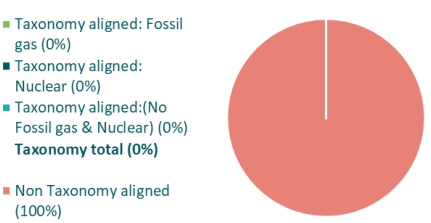
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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) 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	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 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 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. 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. The main driver of returns is expected to be the value style and overall stock selection rather than any individual sector or stock. **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.**

Benchmarks	The Benchmarks are used solely to measure the Fund's performance and do 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 and, as a result, the Fund's performance may deviate significantly from the Benchmarks. For each Share Class the Benchmarks may be denominated or hedged into the relevant Share Class currency. The Benchmarks for each Share Class will be shown on the M&G Website. **Primary Benchmark** S&P 500 Net Total Return Index The Primary Benchmark is the primary comparator against which the Fund's performance can be measured. The index has been chosen as the Fund's Primary Benchmark as it best reflects the scope of the Fund's investment policy. Whilst the Fund follows a value style, it remains well-diversified across sectors meaning it is appropriate to have the Primary Benchmark as the broad market index, as the Fund will have a broad market exposure. **Additional Benchmark** MSCI USA Value Net Return Index The Additional Benchmark is an additional benchmark for investors who may wish to see a comparison of the Fund's performance versus a US value index.
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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus.

Switches:

Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company.
Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible.
With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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
- 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
V	1.50%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 https://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.

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. 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?

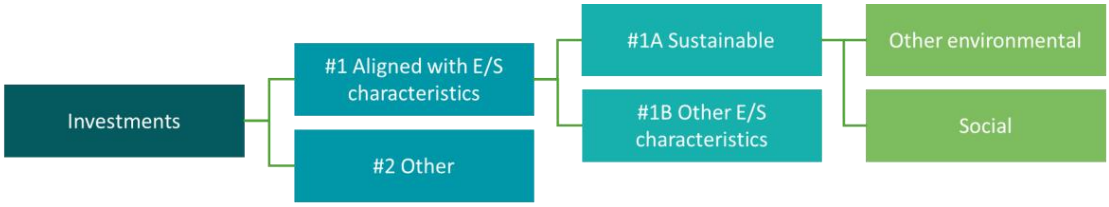
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test.

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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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.

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.

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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

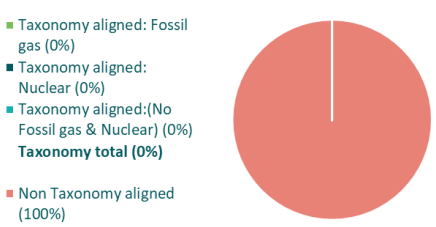
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

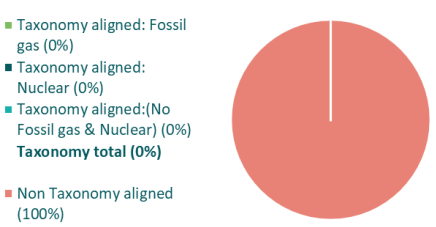
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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) Pan European 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 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

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.

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 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.

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 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 significantly from the benchmark. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus.

Switches:

Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company.
Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible.
With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
N	Up to 1.50%	5.00%	=	-	-	-	0.05%	0.15%
V	1.50%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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.

Product Name: 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 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**

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.

What is the sustainable objective of this financial product?

To invest in companies that contribute towards the Paris Agreement climate change goal.

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 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
- Total renewable energy produced (megawatt hours)
- The weighted average carbon intensity (WACI) of the Fund relative to the WACI for the investment universe

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.

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.

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 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 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 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).

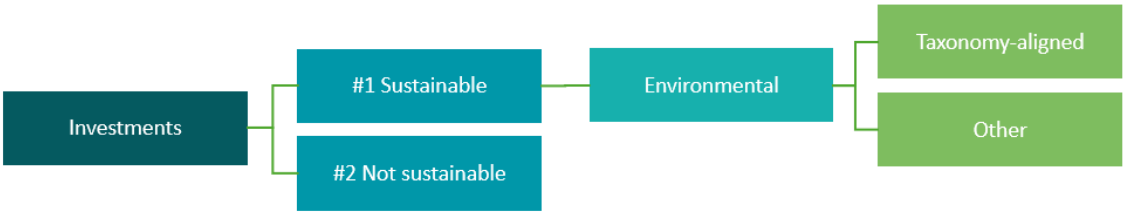
What is the asset allocation plan and minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

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.

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 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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

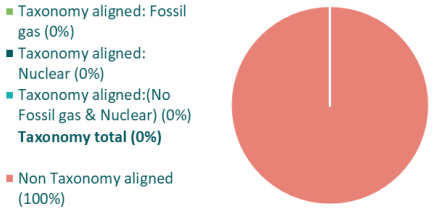
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

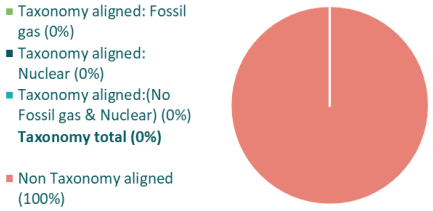
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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?

80%

What is the minimum share of socially sustainable investments?

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 environmental or social characteristics that they promote.

- **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

The Fund has two aims:

- 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

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.

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 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.

Derivatives may be used 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 make a positive social and/or environmental impact alongside a financial return, using a disciplined stock selection process.
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.

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 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 and as a result the Fund's performance may deviate significantly from the benchmark. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
Profile of Typical Investor	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. 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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in 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
- Emerging markets
- China
- Smaller companies
- Currency & exchange rate
- 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 *Taxe d'abonnement* (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%
MI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
N	Up to 1.75%	4.00%	-	-	-	-	0.05%	0.15%
V	1.75%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) 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 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 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 environmental or social characteristics promoted by the 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 in Climate Solutions companies
- Percentage (%) of NAV in Circular Economy solutions companies
- Percentage (%) of NAV in investments providing environmental solutions
- Percentage (%) of NAV in Social Inclusion companies
- Percentage (%) of NAV in Better Health companies
- Percentage (%) of NAV in Better Work and Education companies
- Percentage (%) of positive impact assets in the Fund
- Percentage (%) of NAV contributing towards any of the 17 United Nations Sustainable Development Goals (SDGs) in aggregate.

In addition, for each investment considered to be contributing to SDG, the Investment Manager will assess the percentage of issuer revenues derived from activities aligned with the relevant SDGs .

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.

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 Fund invests in companies that deliver solutions to address some of the world's major social and/or environmental challenges.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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 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 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).

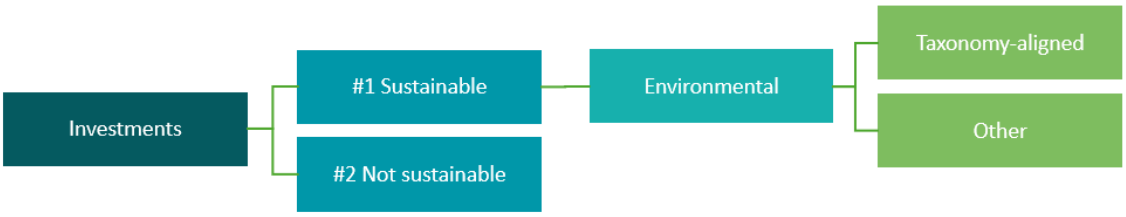
What is the asset allocation plan and minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

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 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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

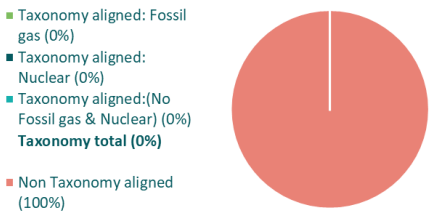
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

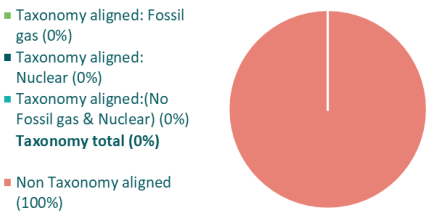
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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?

30%

What is the minimum share of socially sustainable investments?

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 environmental or social

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective.**

Not applicable

characteristics that they promote.

- **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** 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 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. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
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. The Fund is designed for investors with sustainability preferences. 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. 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 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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. The Management Company or the Directors may reduce or waive the Initial or Redemption Charge amount in their sole discretion.

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.

* Class X specific provisions

X Shares Classes are automatically switched free of charge for Shares of Class A 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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 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
- SDG-contribution: Percentage (%) of investments by value that are contributing towards an SDG
- 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.

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.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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?"; and
- 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?

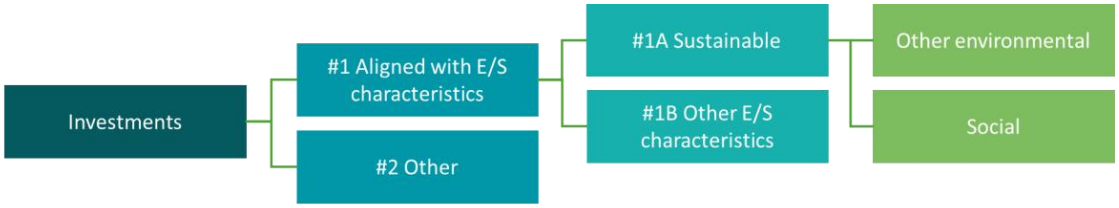
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager 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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

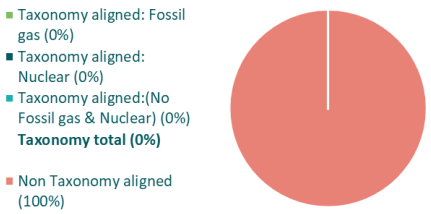
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

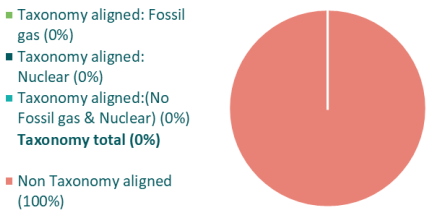
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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 where such instruments are held as "Other" instruments.

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 Strategic Value Fund

Launch Date

28 May 2026

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 across any sector and market capitalisation that are domiciled in any country, including emerging markets.

The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

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 efficient portfolio management and hedging.

Investment Strategy

Investment Approach

The Fund employs a bottom-up stock picking approach to identify shares of companies globally 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.

The Fund's value strategy 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.

The main drivers of returns are expected to be the value style and overall stock selection rather than any individual sector or stock.

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.**
Benchmarks	The Benchmarks are used solely to measure the Fund's performance and do 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 and, as a result, the Fund's performance may deviate significantly from the Benchmarks. For each Share Class the Benchmarks may be denominated or hedged into the relevant Share Class currency. The Benchmarks for each Share Class will be shown on the M&G Website. **Primary Benchmark** MSCI ACWI Net Return Index The Primary Benchmark is the primary comparator against which the Fund's performance can be measured. The index has been chosen as the Fund's Primary Benchmark as it best reflects the scope of the Fund's investment policy. Whilst the Fund will follow a value style, it will be well-diversified across sectors and geographies meaning it is appropriate to have the Primary Benchmark as the broad market index, as the Fund will have a broad market exposure. **Additional Benchmark** MSCI ACWI Value Net Return Index The Additional Benchmark is an additional benchmark for investors who may wish to see a comparison of the Fund's performance versus a global value index.
Profile of Typical Investor	The Fund is designed for retail, professional or Institutional Investors seeking to gain a combination of capital growth and income from a diversified portfolio that invests in a range of companies globally, 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
V Share Classes specific provisions	**Subscriptions:** 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. 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.

For all other Share Classes, see section “Subscriptions” of the Prospectus.

Switches:

Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company.
Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible.
With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of “Share Classes Available for Issue” below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in the Fund.

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
- Smaller companies
- 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	Switching 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%
N	Up to 1.50%	4.00%	-	-	-	-	0.05%	0.15%
L	0.20%	1.25%	-	-	-	-	0.05%	0.15%
LI	0.20%	1.25%	-	-	-	-	0.01%	0.15%
V	1.50%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) Global Strategic Value Fund
Legal Entity Identifier: 254900PLSK2QQSBTOQ18

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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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.

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 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.

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.

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. 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?

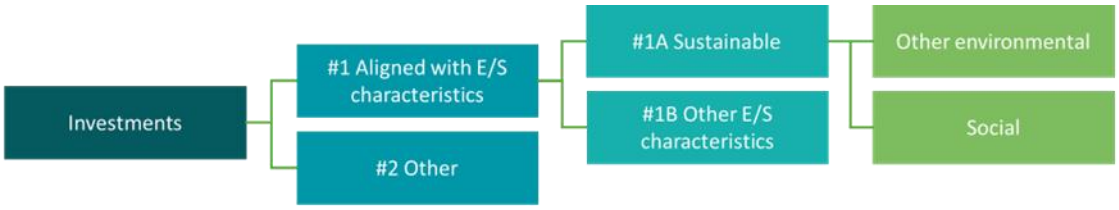
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager 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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

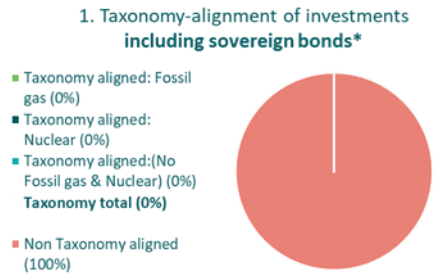
☒ **No**

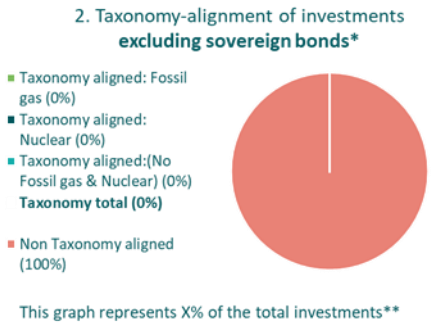
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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 Intellectual Property Leaders Fund

Launch Date

The Fund is not launched at the date of this Prospectus, but it can be launched at ant time by decision of the Management Company or by the Board of Directors of the Company, in which case the launch date will be disclosed here as soon as possible.

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, across any sector and market capitalisation that are domiciled, incorporated, or listed in any country, including emerging markets.

The Fund usually holds a portfolio of fewer than 60 companies.

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.

Derivatives instruments may be used for efficient portfolio management and hedging.

Investment Strategy

Investment Approach

The Investment Manager aims to identify Intellectual Property Leaders which are companies that in the Investment Manager's opinion have high-quality Intellectual Property that helps create or sustain a competitive advantage. The Investment Manager considers Intellectual Property Leaders to have greater potential for growth and long-term returns.

The Investment Manager applies a disciplined process combining research and financial analysis of individual companies, and qualitative assessment to identify investment opportunities across Intellectual Property categories such as technology, product, brand and business process.

In this context, Intellectual Property refers to an aspect of the company that has monetary value and is difficult to replicate and helps to deliver sustained business performance.

	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 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. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class Currency. The benchmark for each Share Class will be shown on the M&G Website.
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 strong Intellectual Property Leadership. 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.
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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus.

Switches:

Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company.
Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible.
With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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
- 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	Switching 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	2.25%	-	-	-	-		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	0.15%	1.25%	-	-	-	-	0.05%	0.15%
LI	0.15%	1.25%	-	-	-	-	0.01%	0.15%
N	Up to 1.75%	4.00%	-	-	-	-	0.05%	0.15%
MI	Up to 0.75%	0.00%	-	-	-	-	0.01%	0.15%
V	1.50%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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.

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) Global Intellectual Property Leaders 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments 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.

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 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.

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.

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. 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.

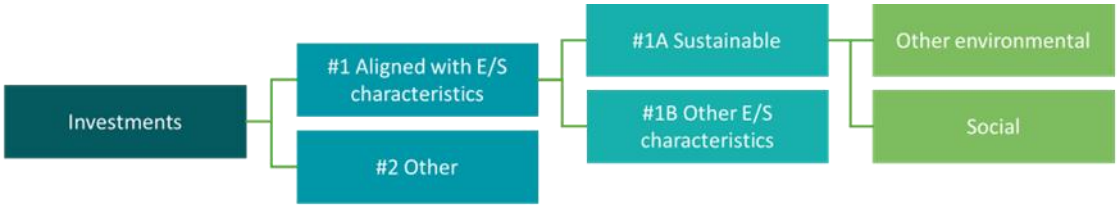
When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

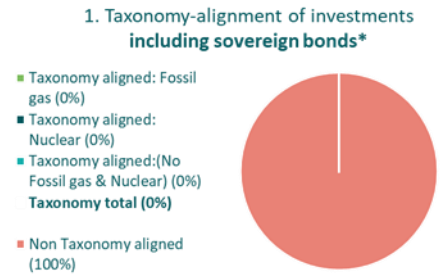
☒ **No**

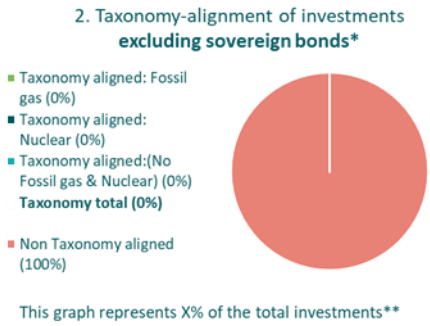
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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 Energy Opportunities Fund

Launch Date

7 October 2025.

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 across any sector and market capitalisation that are domiciled in any country, including emerging markets.

The Fund usually holds a portfolio of fewer than 60 companies.

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, up to 20% of its Net Asset Value.

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 efficient portfolio management and hedging.

Investment Strategy

Investment Approach

The Fund employs a bottom-up stock picking approach, driven by the fundamental analysis of individual companies. The Fund has a broad investible universe and is style-agnostic.

The Fund is focused upon financial opportunities derived from two major sources of change in the global energy system:

1. Growth in energy demand as a result of a rising global population and economic prosperity. In developed economies, this takes the form of additional power capacity to meet new forms of demand including, but not limited to, electrification of vehicles and power supply to AI data centres. In developing economies, the major trend is one of rising energy consumption per capita, due to more widespread adoption of, in particular, vehicles and air conditioning, and other consumer goods.

2. Decarbonisation trends as the world seeks to modernise and transition power producing and consuming sectors.

The Investment Manager identifies investment opportunities in the following three categories:

- Energy Producers (companies involved in the production and / or transmission of energy, across the spectrum of sources, including, but not limited to, fossil fuels, nuclear, and renewable energy)
- Energy Consumers and Emitters (companies within high energy-consuming and / or emitting sectors)
- Energy Supply Chain (companies that provide products and services which modernise the production or consumption of energy)

In each case, the determination of whether a company falls within one of the above categories is at the discretion of the Investment Manager. The Fund may allocate to these three categories in any proportions.

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.

Note that the environmental and/or social characteristics promoted by the Fund do not have a specific thematic focus on the energy-related investment theme of the Fund outlined in the Investment Approach section.

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.

Benchmarks

The Benchmarks are used solely to measure the Fund's performance and do 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 and, as a result, the Fund's performance may deviate significantly from the Benchmarks.

For each Share Class the Benchmarks may be denominated or hedged into the relevant Share Class currency. The Benchmarks for each Share Class will be shown on the M&G Website.

Primary Benchmark

MSCI ACWI Net Return Index

The Primary Benchmark is the primary comparator against which the Fund's performance can be measured. The index has been chosen as the Fund's Primary Benchmark as it best reflects the scope of the Fund's investment policy.

Whilst the Fund has a thematic focus upon the global energy system, it remains diversified across multiple sectors beyond energy. It is therefore appropriate to have the Primary Benchmark as the broad market index, as the Fund has exposure to multiple sectors.

	Additional Benchmark Bloomberg Clean and Traditional Energy 50/50 Index The Additional Benchmark is provided for investors who may wish to see a comparison of the Fund's performance versus an energy-focused index.
Profile of Typical Investor	The Fund is designed for retail, professional or Institutional Investors seeking exposure to the energy value chain 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 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 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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in 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
- Concentrated portfolio
- Smaller companies
- Liquidity
- Counterparty
- Specific asset class, region, country or sector risk
- ESG data
- Investments exclusion
- 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	Switching 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%
N	Up to 1.50%	4.00%	-	-	-	-	0.05%	0.15%
L	0.15%	1.25%	-	-	-	-	0.05%	0.15%
LI	0.15%	0.00%	-	-	-	-	0.01%	0.15%
MI	Up to 0.75%	0.00%	-	-	-	-	0.01%	0.15%
V	1.50%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) Global Energy Opportunities Fund
Legal Entity Identifier: 2549004PSCH4JRUV7571

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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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.

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 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.

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.

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. The Investment Manager then identifies whether the remaining issuers are in high climate impact sectors. If they are, the Investment Manager assesses their carbon intensity relative to other issuers in that sector and excludes Carbon Intensity Laggards.
3. 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.
4. 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?

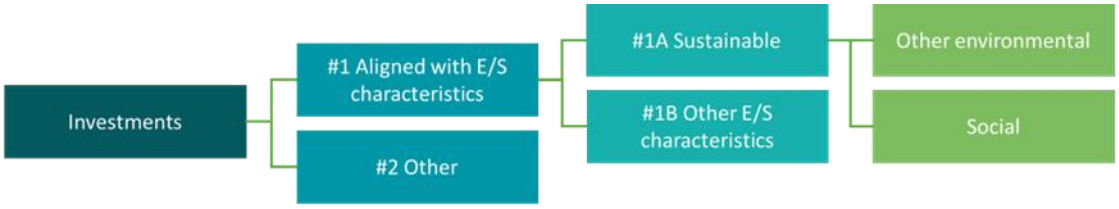
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager 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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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.



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#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 investment 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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

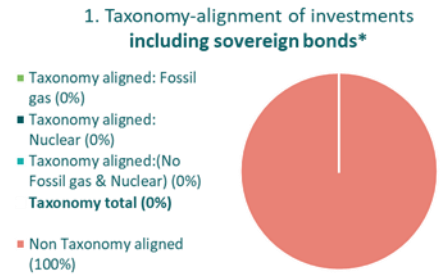
☒ **No**

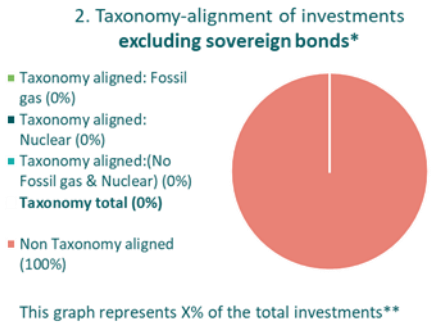
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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

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.

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.

The Fund may also hold up to a maximum of 20% of its Net Asset Value in contingent convertible debt securities.

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.

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 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.

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.

For the Convertible Bond to provide downside protection the company's credit quality is also analysed and monitored.

The Investment Manager has no set geographical guidelines or limits determined by macroeconomic or sector 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

FTSE Global Focus Convertible 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.

For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.

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

V Share Classes specific provisions

Subscriptions:

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.
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.
For all other Share Classes, see section "Subscriptions" of the Prospectus.

Switches:

Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company.
Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible.

With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in the Fund.

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
- Derivatives delivery

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 *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%
MI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
V	1.50%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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.

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) Global Convertibles Fund
Legal Entity Identifier: 549300DZSWWWBBRWLT54

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☐ Yes

- ☐ It will make a minimum of **sustainable investments with 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:**__%

●○ ☒ No

- ☒ 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.

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.
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 investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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?

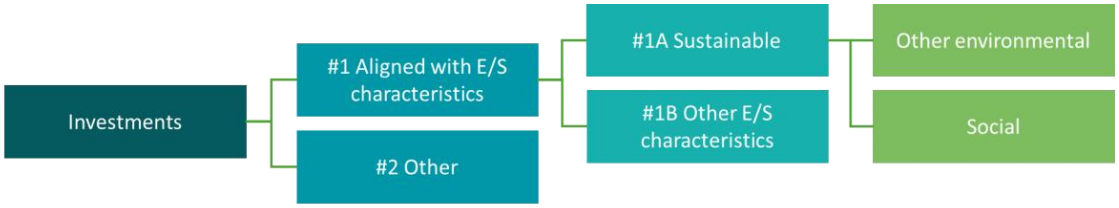
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager 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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

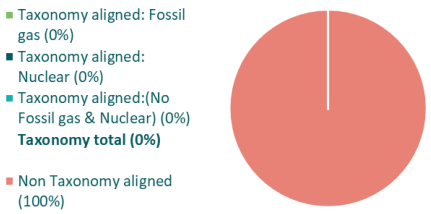
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

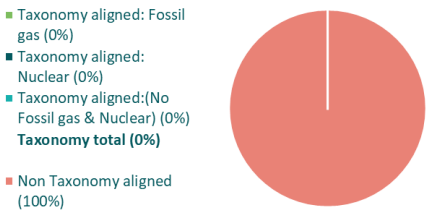
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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, 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 up to 20% of its Net Asset Value 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 may hold up to 10% of its Net Asset Value in distressed debt securities and defaulted 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.

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

A composite index comprising:

- 1/3 J.P. Morgan EMBI Global Diversified Index
- 1/3 J.P. Morgan CEMBI Broad Diversified Index
- 1/3 J.P. Morgan 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 and as a result the Fund's performance may deviate significantly from the benchmark.

For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.

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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section “Subscriptions” of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of “Share Classes Available for Issue” below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in 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 a composite index comprising: • 1/3 J.P. Morgan EMBI Global Diversified Index • 1/3 J.P. Morgan CEMBI Broad Diversified Index • 1/3 J.P. Morgan GBI-EM Global Diversified Index
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 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
- 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
- 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.60%	-	-	-	-	-	0.01%	0.15%
N	Up to 1.25%	4.00%	-	-	-	-	0.05%	0.15%
V	1.25%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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.

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.
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 investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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.

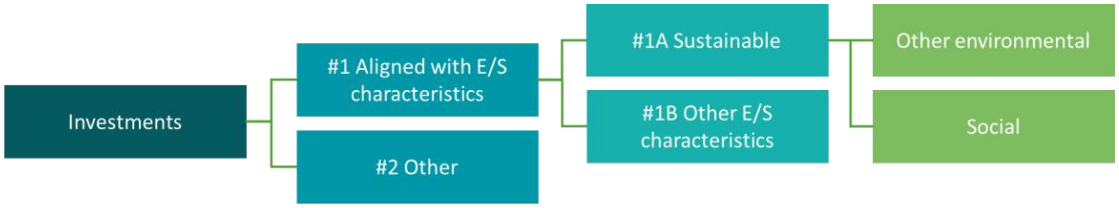
What is the policy to assess good governance practices of the investee companies?

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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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.

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.

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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

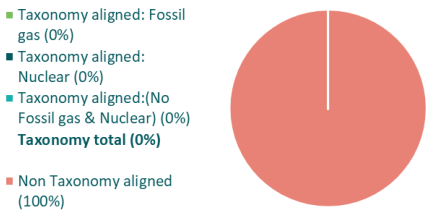
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

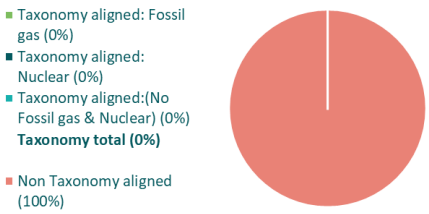
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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:
https://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 may hold up to 10% of its Net Asset Value in distressed debt securities and defaulted debt securities. There are no other credit quality restrictions with respect to the debt securities in which the Fund may invest.

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 but are not limited to spot and forward contracts, exchange traded futures, swaps, credit default swaps, total return swaps, options 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 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.

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

J.P. Morgan 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 and as a result the Fund's performance may deviate significantly from the benchmark.

For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.

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.

V Share Classes specific provisions

Subscriptions:

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.
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.
For all other Share Classes, see section “Subscriptions” of the Prospectus.

Switches:

Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company.
Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible.
With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of “Share Classes Available for Issue” below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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 EMBI Global 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 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
- Counterparty
- Emerging markets
- China
- Derivative instruments
- 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	Switching 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%	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%
MI	Up to 0.60%	-	-	-	-	-	0.01%	0.15%
V	1.50%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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.

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%

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

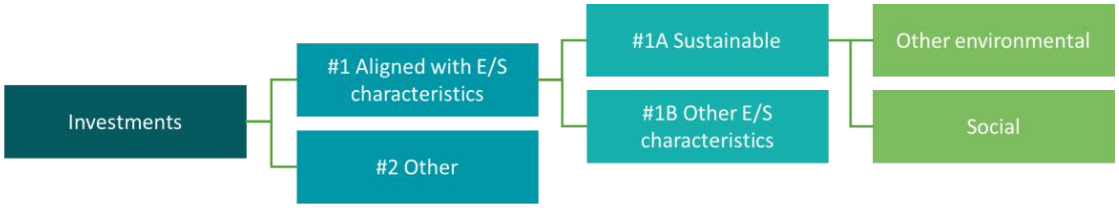
What is the policy to assess good governance practices of the investee companies?

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?

Asset allocation describes the share of investments in specific assets.

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 investment 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.

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.

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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

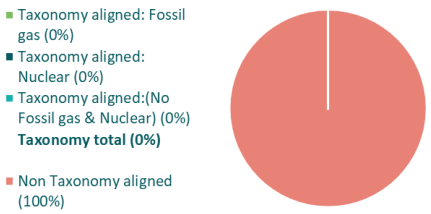
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

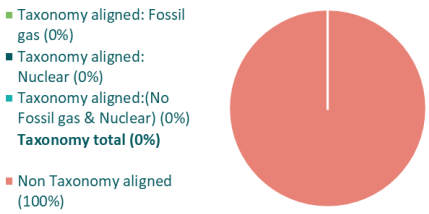
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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:
https://www.mandg.com/country-specific-fund-literature

M&G (Lux) Emerging Markets Local Currency Bond Fund

Launch Date

2 June 2025.

Investment Objective

The Fund aims to provide a higher total return (capital growth plus income) than that of the local currency emerging market bond market over any three-year period, while applying ESG Criteria.

Investment Policy

The Fund invests at least 80% of its Net Asset Value in local currency-denominated debt securities, issued or guaranteed by emerging market governments or their agencies, local authorities, public authorities, quasi-sovereigns, and supranational bodies.

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.

The Fund may also invest in debt instruments issued by emerging market companies or instruments denominated in emerging market currencies.

The Fund may invest up to 20% of its Net Asset Value in debt securities denominated in Hard Currency.
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, up to 10% of its Net Asset Value in contingent convertible debt securities and may hold up to 10% of its Net Asset Value in distressed debt securities and defaulted 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 emerging market bond markets. 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	JPM GBI-EM 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 Fund is actively managed. The Investment Manager has complete freedom in choosing which assets to buy, hold and sell in the Fund within the constraints set by the Fund's investment policy. 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. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section “Subscriptions” of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of “Share Classes Available for Issue” below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in 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 GBI-EM Global Diversified Index.
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 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
- 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
- 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	Switching 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	0.50%	1.25%	-	-	-	-	0.05%	0.15%
CI	0.50%	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%
MI	Up to 0.50%	-	-	-	-	-	0.01%	0.15%
N	Up to 1.50%	4.00%	-	-	-	-	0.05%	0.15%
V	1.50%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) Emerging Markets Local Currency Bond Fund
Legal Entity Identifier: 25490027OLM96LHF9S87

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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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.

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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

- **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

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Investments held by the Fund are then subject to ongoing monitoring.

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).



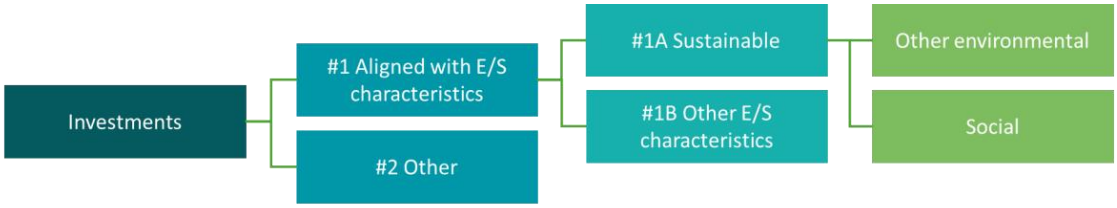
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

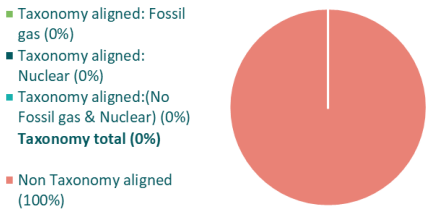
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

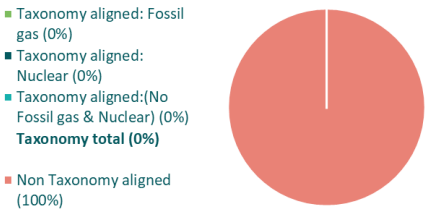
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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:
https://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

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.

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.

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.

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.

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 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).

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 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.
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.

	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 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 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. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company.

Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.15%	-	-	-	-	-	0.01%	0.15%
V	0.40%	-	Up to 4%	Up to 4%	-	-	0.05%	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) Euro Corporate Bond Fund
Legal Entity Identifier: 549300O6WRQEB3PFIE51

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☐ Yes

☐ It will make a minimum of **sustainable investments with 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:**__%

●○ ☒ No

☒ 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.

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?

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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%

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).

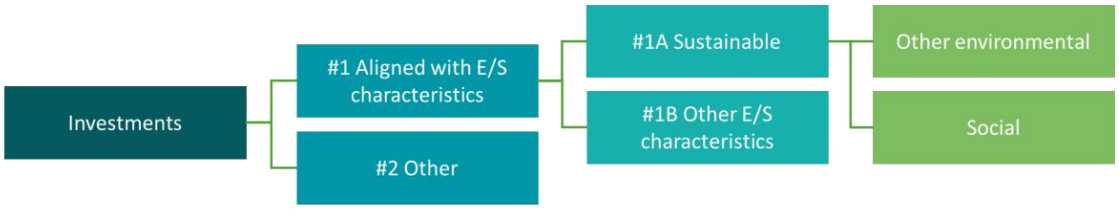


What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

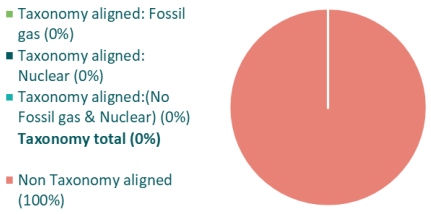
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

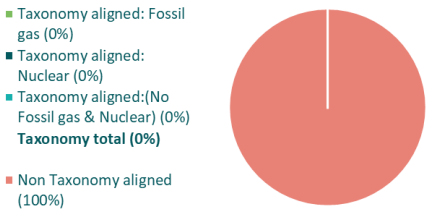
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

5%

environmentally sustainable economic activities under the EU Taxonomy

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 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. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company.

Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.20%	-	-	-	-	-	0.01%	0.15%
V	0.50%	-	Up to 4%	Up to 4%	-	-	0.05%	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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.

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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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.
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%

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).

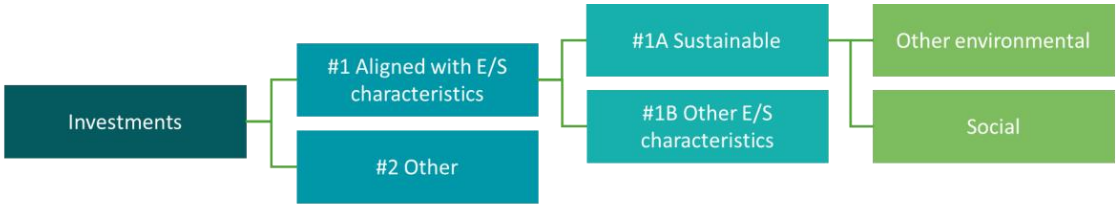


What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

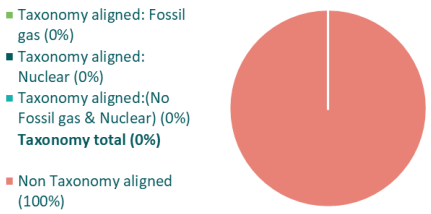
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

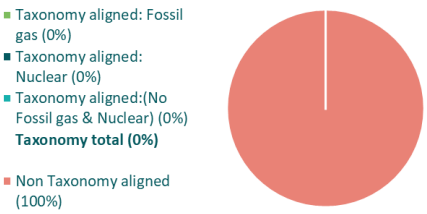
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

5%

objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

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 and as a result the Fund's performance may deviate significantly from the benchmark.

For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.

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.

V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.25%	-	-	-	-	-	0.01%	0.15%
N	Up to 0.65%	4.00%	-	-	-	-	0.05%	0.15%
V	0.40%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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.

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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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.

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.

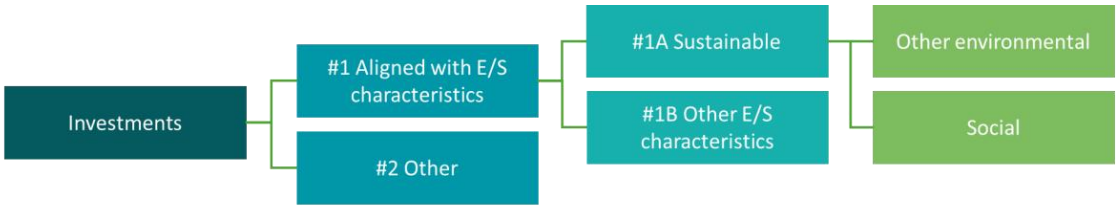
What is the policy to assess good governance practices of the investee companies?

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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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.

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.

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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

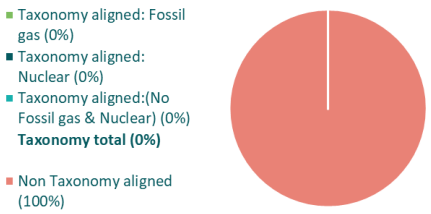
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

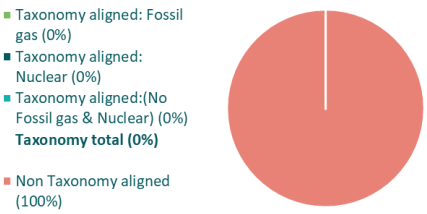
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

5%

objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

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:
https://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 and up to 10% of its Net Asset Value in distressed debt securities and defaulted 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.

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.

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

ICE BofA 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 and as a result the Fund's performance may deviate significantly from the benchmark.

For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.

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 BofA 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.
V Share Classes specific provisions	**Subscriptions:** 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. No subscription is permitted in Class V Shares Classes after the end of the IOP unless the Management Company should determine, at its discretion, to allow further subscriptions into Class V Shares. For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in 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
- Credit
- Liquidity
- Derivative instruments
- Counterparty
- Emerging markets
- Securitised bonds
- Contingent convertible debt securities
- Exposure greater than net asset value
- Short sales
- 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.40%	-	-	-	-	-	0.01%	0.15%
V	1.00%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less.

The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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.

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

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.

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 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 and up to a maximum of 20% of its Net Asset Value in contingent convertible debt securities.

The Fund may hold up to 10% of its Net Asset Value in distressed debt securities and defaulted 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 and the Investment Manager seeks 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.

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

ICE BofA 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 and as a result the Fund's performance may deviate significantly from the benchmark.

For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.

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.

V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section “Subscriptions” of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of “Share Classes Available for Issue” below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in 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 Global High Yield 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 monthly 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 • 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.40%	-	-	-	-	-	0.01%	0.15%
N	Up to 1.00%	4.00%	-	-	-	-	0.05%	0.15%
V	1.00%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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.

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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 .

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%

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?

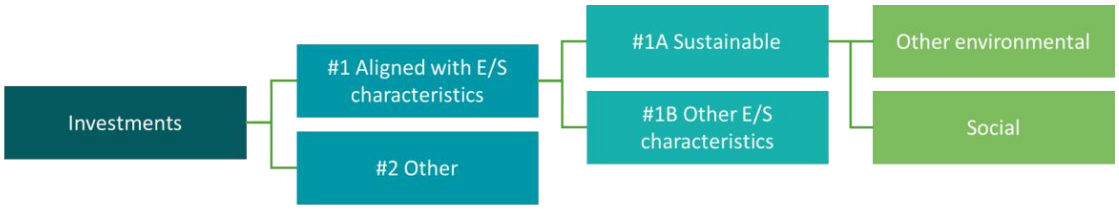
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager 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?

Asset allocation describes the share of investments in specific assets.

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 investment 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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

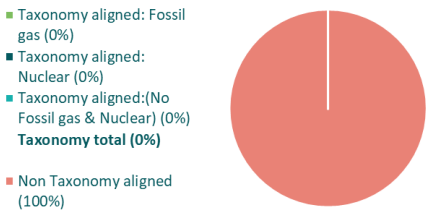
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

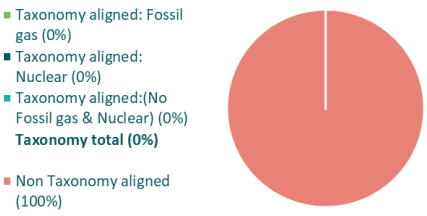
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

5%

environmentally sustainable economic activities under the EU Taxonomy

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:
https://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

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.

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 may invest in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.

The Fund may invest up to 100% of its Net Asset Value in asset-backed securities, up to 20% of its Net Asset Value in contingent convertible debt securities.

The Fund may hold up to 10% of its Net Asset Value in distressed debt securities and defaulted debt securities.

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.

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.

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 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.

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

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 and as a result the Fund's performance may deviate significantly from the benchmark.

For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.

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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section “Subscriptions” of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of “Share Classes Available for Issue” below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in 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
- 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.65%	-	-	-	-	-	0.01%	0.15%
N	Up to 1.25%	4.00%	-	-	-	-	0.05%	0.15%
V	1.25%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) Global Macro Bond Fund
Legal Entity Identifier: 549300OHGMRPC0NPD471

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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments 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



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; 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?**

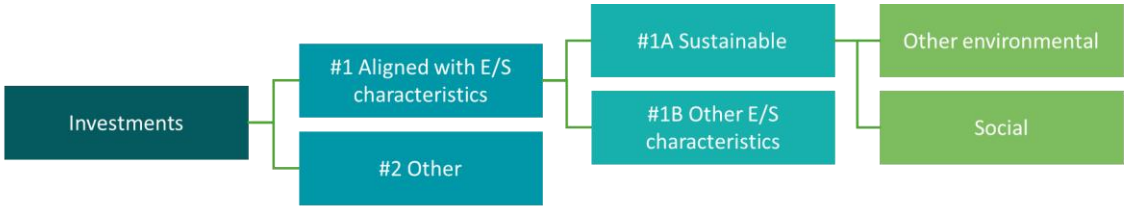
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager 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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 basis of their alignment to the Exclusionary Approach:

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.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

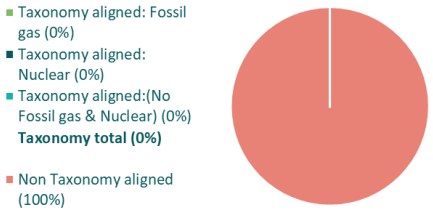
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

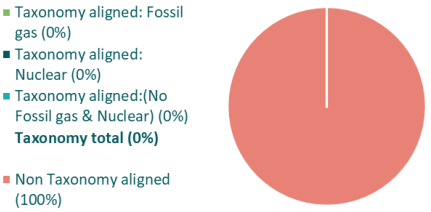
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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:
https://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 the global bond markets, while applying ESG Criteria.

Investment Policy

The Fund invests at least 70% 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.

While the Fund's overall duration will not be negative, the Fund may derive negative duration from individual fixed income 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 up to 10% of its Net Asset Value in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.

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.

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.

The Fund may hold up to 10% of its Net Asset Value in distressed debt securities and defaulted 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.

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 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. Individual credit selection based on bottom-up analysis of the corporate bond markets by in-house credit analysts complements the Investment Manager's views. 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	Bloomberg Global Aggregate 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 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. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
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 which is mostly invested in debt securities 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	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 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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. 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.
Successive V Share Classes issued in series (V1, V2…) specific provisions	**Subscriptions:** Successive V Share Classes 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Successive V Share Classes issued in the Fund, are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the relevant successive V Share Classes, in which case the new switch date will be disclosed here as soon as possible. V2 Share Classes will be automatically switched free of charge for Shares of the corresponding Class A of the Fund on 2 December 2028. V3 Share Classes will be automatically switched free of charge for Shares of the corresponding Class A of the Fund on 29 September 2028
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
- 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
- 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
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%
MI	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. The Management Company or the Directors may reduce or waive the Initial or Redemption Charge amount in their sole discretion.

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 A 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.

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%

The Management Company or the Directors may reduce or waive the Redemption Charge amount in their sole discretion.

Series of V Share Classes (V1, V2…) Redemption Charge

Shareholders who redeem from any issued series of Class V Shares (i.e. V1, V2…) could be subject to a Redemption Charge from the redemption proceeds of up to 4%, at the discretion of the Management Company. The Management Company may waive the Redemption Charge amount in its entire discretion.

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 V Share Classes 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 Switching Charge amount in their sole discretion.

Series of V Share Classes (V1, V2…) Switching Charge

With the exception of the automatic switch from series of Class V (V1, V2…) into Class A as referred to in the “V Share Classes specific provisions” section above, Shareholders who switch from series of Class V (V1, V2…) could be subject to a Switching Charge of up to 4% on the switch amount, at the discretion of the Management Company. The Management Company may waive the Switching Charge amount in its entire discretion.

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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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.

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?

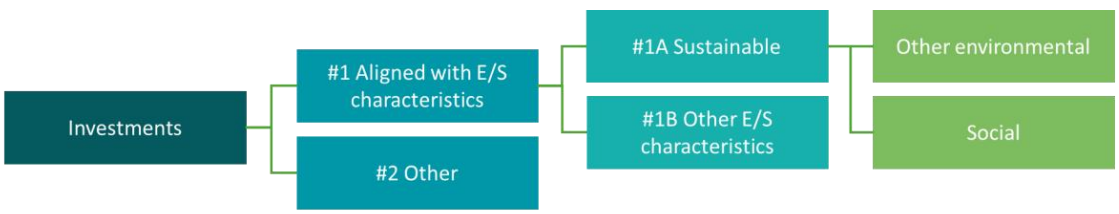
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager 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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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



#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 investment 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.

operational activities of investee companies.

- **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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

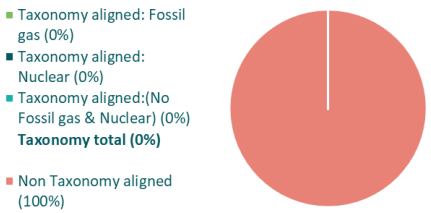
☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

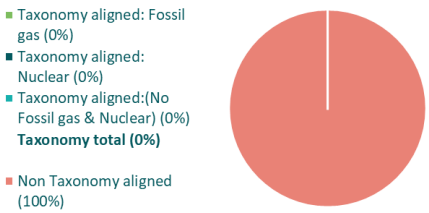
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

5%

objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

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

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.

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.

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.

The Fund uses an investment process that is based on both a top-down macroeconomic view and fundamental analysis of individual securities.

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.

The Fund may invest up to a combined maximum of 20% of the Fund's Net Asset Value in high yield and unrated securities.

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.

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.

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 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.

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 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 and as a result the Fund's performance may deviate significantly from the benchmark.

For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.

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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section “Subscriptions” of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of “Share Classes Available for Issue” below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (annual rate)	Administration Charge (maximum annual rate)
A	0.25%	3.25%	-	-	-	-	0.05%	0.15%
A2	0.70%	3.25%	-	-	-	-	0.05%	0.15%
B	0.65%	-	-	-	-	-	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%
MI	Up to 0.10%	-	-	-	-	-	0.01%	0.15%
V	0.25%	-	Up to 4%	Up to 4%	-	-	0.05%	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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) Short Dated Corporate Bond Fund
Legal Entity Identifier: 549300PT8Y5VIWCSER97

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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 .

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%

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?

Asset allocation describes the share of investments in specific assets.

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 investment 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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

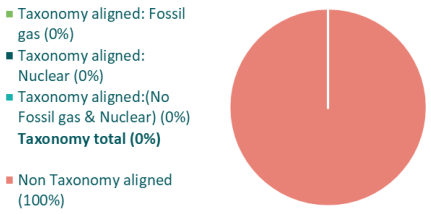
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

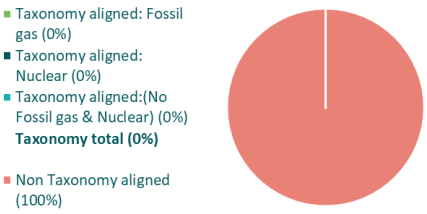
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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**



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

5%

into account the criteria for environmentally sustainable economic activities under the EU Taxonomy

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:
https://www.mandg.com/country-specific-fund-literature

M&G (Lux) 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

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.

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.

The Fund may invest in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.

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.

The Fund may invest up to 10% of its Net Asset Value in asset-backed securities.
The Fund may invest in contingent convertible debt securities up to 20% of its Net Asset Value.

The Fund may hold up to 10% of its Net Asset Value in distressed debt securities and defaulted debt securities.

The Fund invests in securities 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 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 and credit linked notes.

Investment Strategy

Investment Approach

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).

	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+ / 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 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 and as a result the Fund's performance may deviate significantly from the benchmark. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
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.
V Share Classes specific provisions	**Subscriptions:** 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.

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.
For all other Share Classes, see section "Subscriptions" of the Prospectus.

Switches:

Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company.
Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible.
With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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
- 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	Switching 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	0.60%	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%
MI	Up to 0.60%	-	-	-	-	-	0.01%	0.15%
N	Up to 1.50%	4.00%	-	-	-	-	0.05%	0.15%
V	1.50%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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.

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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 .

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.
In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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).



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

We expect 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.
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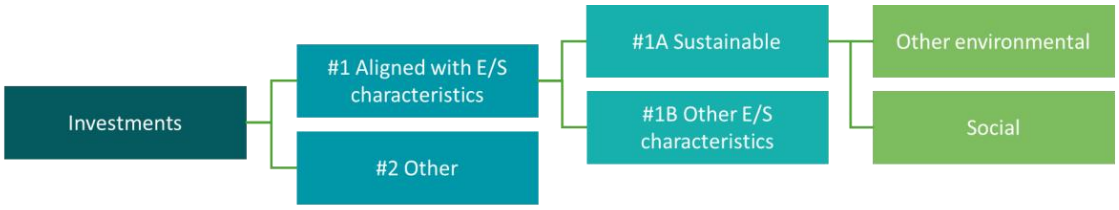


#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#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 investment 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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

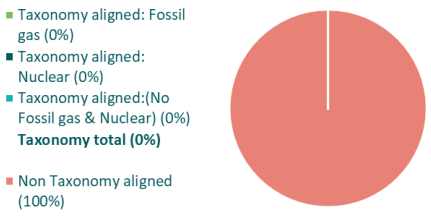
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

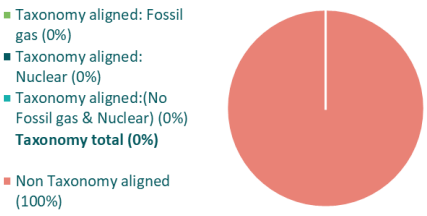
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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 https://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.

The Fund may hold up to 10% of its Net Asset Value in distressed debt securities and defaulted 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.

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+ / 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 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.

For each Share Class the benchmark will be a cash rate of the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.

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.

V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section “Subscriptions” of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class P of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class P as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of “Share Classes Available for Issue” below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in 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
- Distressed and defaulted debt securities

Investors should read the section "Risk Factors" for a full description of risks.

Share Class	Single Charge (annual rate)	Initial Charge	Redemption Charge	Switching Charge
P	1.10%	3.25%	-	-
P2	1.10%	3.25%	-	-
P3	1.30%	-	-	-
U	0.52%	1.25%	-	-
UI	0.48%	1.25%	-	-
V	1.10%	3.25%	Up to 4%	Up to 4%
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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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.

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) Sustainable Macro Flexible Credit Fund
Legal Entity Identifier: 254900MBYTIXGWFWME22

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 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. Cash may be treated as aligned to the Exclusionary Approach promoted characteristic where it is placed on term deposit 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 do significant harm to environmental and/or 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.

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.

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 placed on term deposit with institutions or placed in money market funds below the Investment Manager's ESG quality threshold
- 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 .

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.

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.

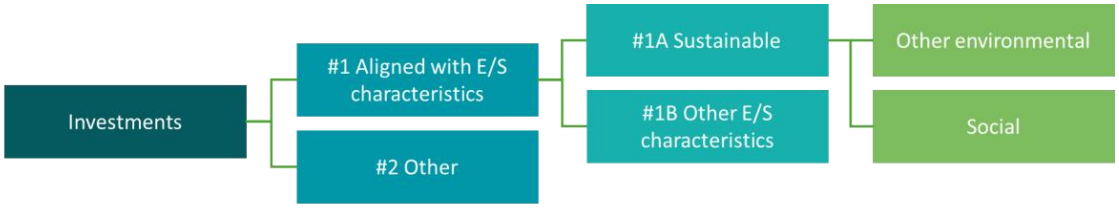
What is the policy to assess good governance practices of the investee companies?

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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The Investment Manager expects at least 80% of the Fund to be aligned to the promoted E/S characteristics. At least 51% of the Sub-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 investment 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.

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.

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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

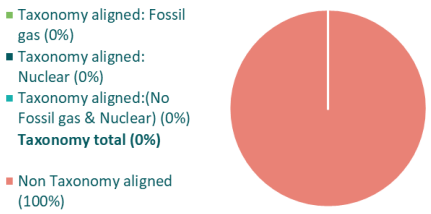
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

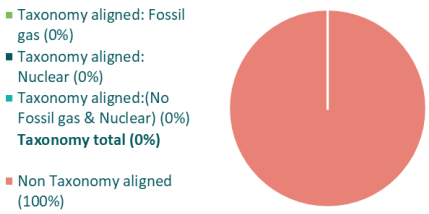
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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 where such instruments are held as "Other" instruments.

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:
https://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 significantly from the benchmark.

For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.

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.

V Share Classes specific provisions

Subscriptions:

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.
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.
For all other Share Classes, see section “Subscriptions” of the Prospectus.

Switches:

Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company.
Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible.
With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of “Share Classes Available for Issue” below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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 Corporate Green Social Sustainability Bond Index (EUR-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 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
- 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 *Taxe d'abonnement* (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%
MI	Up to 0.15%	-	-	-	-	-	0.01%	0.15%
V	0.40%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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.

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) 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 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**

What is the sustainable objective of this financial product?

To contribute to a sustainable economy by investing in global bonds supporting environmental and/or social goals.

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 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 each 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, saving lives; 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.

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?

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:

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- 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 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 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).



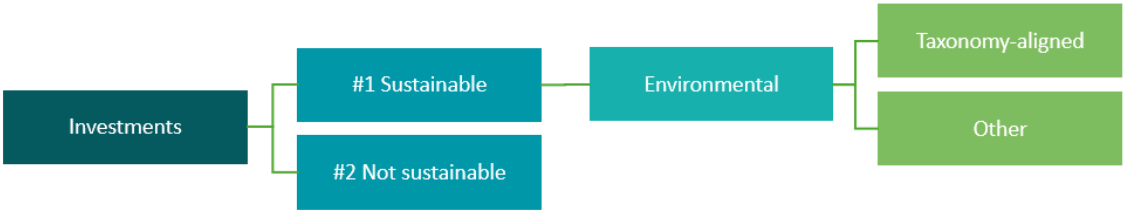
What is the asset allocation plan and minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

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.

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.

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%.



#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 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 Taxonomy[1]?

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

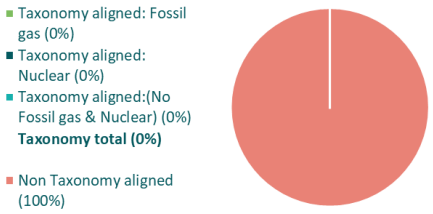
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

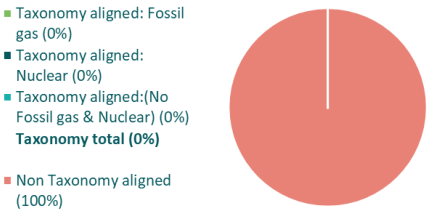
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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**

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

5%

into account the criteria for environmentally sustainable economic activities under the EU Taxonomy

What is the minimum share of socially sustainable investments?

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 environmental or social characteristics that they promote.

- **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

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.

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.

The Fund may also invest in government and public securities.

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.

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 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).

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 Investment Manager believes that bond returns are driven by a combination of macroeconomic, asset, sector, geographic and stock-level factors. The Investment Manager applies a flexible investment approach, seeking to take advantage of relative value opportunities.

The Fund is diversified by investing in a range of 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

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 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.

For each Share Class, the Benchmark may be denominated or hedged into the relevant share class currency. The Benchmark for each Share Class will be shown on the M&G Website.

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.

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.

V Share Classes specific provisions

Subscriptions:

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.
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.

For all other Share Classes, see section “Subscriptions” of the Prospectus.

Switches:

Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company.
Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible.
With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of “Share Classes Available for Issue” below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.15%	1.25%	-	-	-	-	0.01%	0.15%
V	0.40%	-	Up to 4%	Up to 4%	-	-	0.05%	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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.

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%

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).

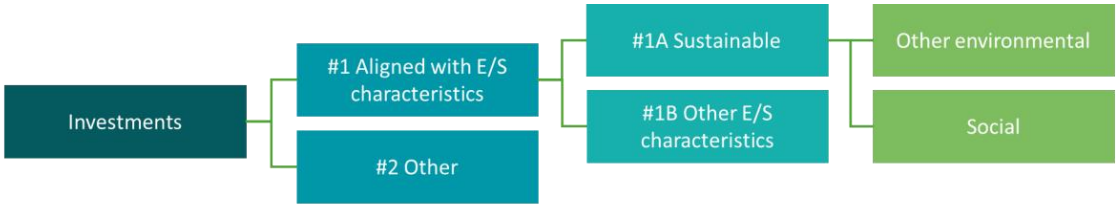


What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

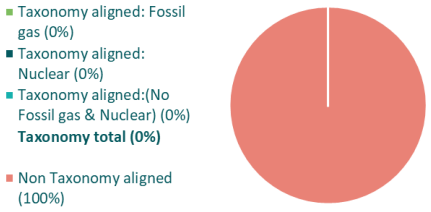
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

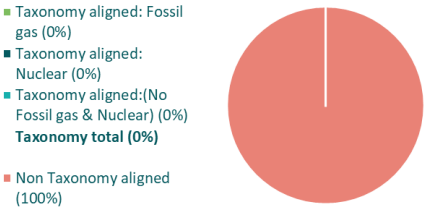
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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%

- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

5%

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 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:
https://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

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.

The Fund may also invest in investment grade corporate bonds, government and public securities.

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.

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 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 focuses on high yield corporate bonds, which typically pay higher rates of interest to compensate investors for the greater risk of default. The Investment Manager will seek to provide exposure to a broad range of 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.

	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 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. For each Share Class, the benchmark may be denominated or hedged into the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
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.
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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus.

Switches:

Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company.
Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible.
With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.40%	-	-	-	-	-	0.01%	0.15%
V	1.00%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) US High Yield Bond Fund
Legal Entity Identifier: 254900SHYE2QO55Q4Z34

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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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?**

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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.

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.
In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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?

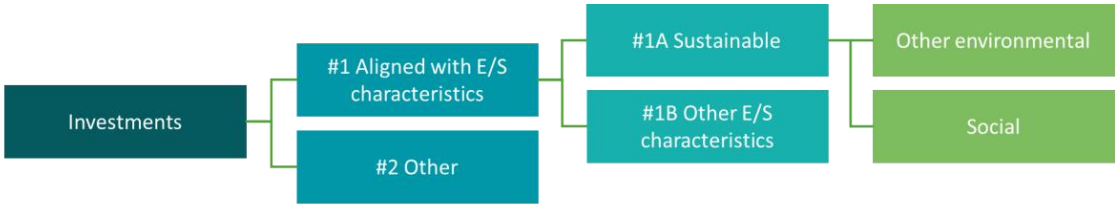
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager 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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

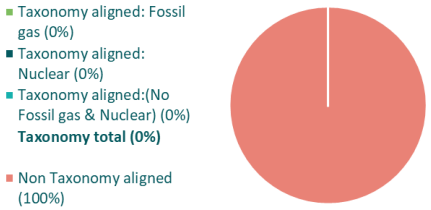
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

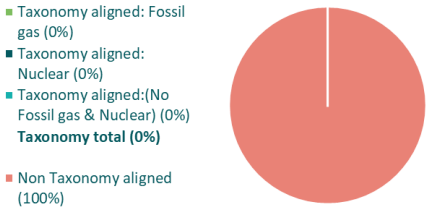
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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:
https://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;
- distressed debt securities and defaulted debt securities, up to 10% 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%.

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 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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section “Subscriptions” of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of “Share Classes Available for Issue” below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in the Fund.
Calculation of Global Exposure	Absolute VaR
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
- 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
- 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.75%	-	-	-	-	-	0.01%	0.15%
N	Up to 1.75%	4.00%	-	-	-	-	0.05%	0.15%
V	1.75%	-	Up to 4.00%	Up to 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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 .

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%

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?

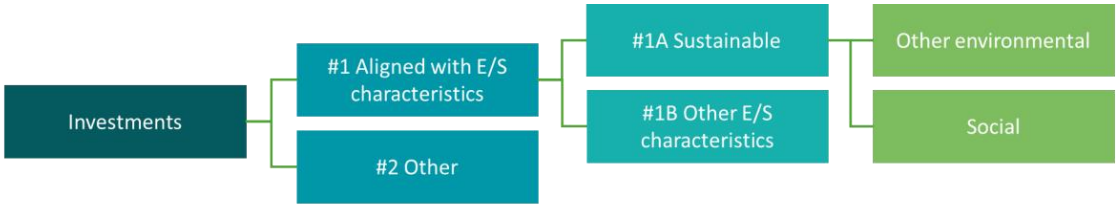
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager 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?

Asset allocation describes the share of investments in specific assets.

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



#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 investment 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.

operational activities of investee companies.

- **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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

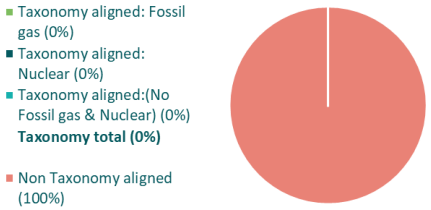
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

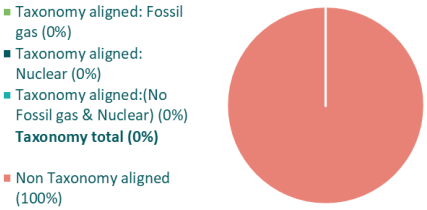
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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:
https://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 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.

For each Hedged Share class, the benchmark will be a cash rate of the relevant Share Class currency. The benchmark for each Hedged Share Class will be shown on the M&G Website.

Investors should refer to the section "Performance Fee" below for further information on the benchmarks used in the performance fee calculation of the Fund.

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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section “Subscriptions” of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class S of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class S as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of “Share Classes Available for Issue” below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
V	1.75%	4.00%	Up to 4%	Up to 4%	-	-	0.05%	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 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. For each Share Class, the benchmark will be a cash rate of the relevant Share Class currency. The benchmark for each Share Class will be shown on the M&G Website.
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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section "Subscriptions" of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in 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	Switching Charge	Distribution Charge	CDSC	Local Tax *Taxe d'abonnement* (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%
MI	Up to 0.50%	-	-	-	-	-	0.01%	0.15%
V	1.25%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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.

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

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: 40-80% in fixed income, 10-50% in equity securities and equity-related instruments and 0-20% in 'other' assets.

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.

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.

Fixed income instruments 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;
- bonds from issuers located in emerging markets;
- Chinese onshore bonds denominated in CNY traded on the China Interbank Bond Market, up to 10% of the Fund's Net Asset Value;
- 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, up to 80% of the Fund's Net Asset Value.

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 up to 10% of its Net Asset Value in China A Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Exchange.

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.

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 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 growing level of income and capital growth of 2 to 4% per annum, both measured over any three-year period.

Profile of Typical Investor	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. 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.
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section “Subscriptions” of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of “Share Classes Available for Issue” below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in the Fund.
Calculation of Global Exposure	Absolute VaR
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 monthly 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
- Currency & exchange rate
- Emerging markets
- China
- Securitised bonds
- Contingent convertible debt securities
- Derivative instruments
- Short sales
- 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	Annual Management Charge (annual rate)	Initial Charge	Redemption Charge	Switching 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	0.65%	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%
MI	Up to 0.65%	-	-	-	-	-	0.01%	0.15%
V	1.50%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less.
The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) Income Allocation Fund
Legal Entity Identifier: 5493009TGYUIY117XO13

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☐ Yes

☐ It will make a minimum of **sustainable investments with 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:**__%

●● ☒ No

☒ 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.

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%

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).

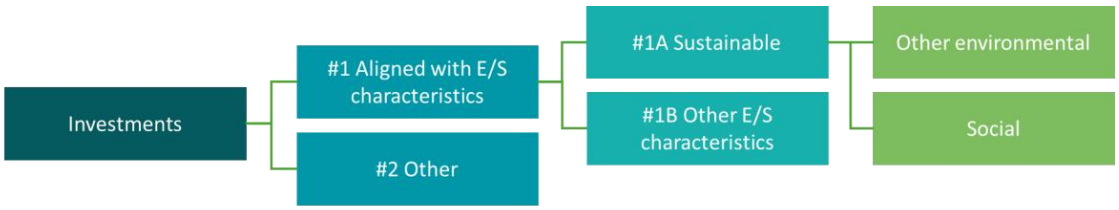
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

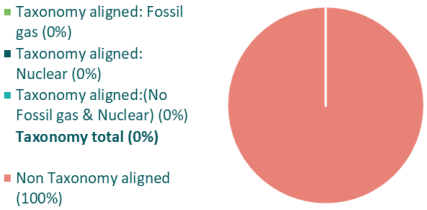
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

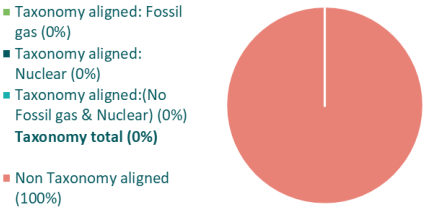
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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:
https://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	**Investment Approach** The Fund's approach to sustainable investment is explained in the precontractual annex to this Fund Supplement. 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. The Fund's annualised volatility is expected to be between 4% and 9%, over any five-year period. **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	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 4-8% per annum over any five-year period.
Profile of Typical Investor	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. 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	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 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.

V Share Classes specific provisions

Subscriptions:

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.
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 V Share Classes.
For all other Share Classes, see section “Subscriptions” of the Prospectus.

Switches:

Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company.
Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible.
With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of “Share Classes Available for Issue” below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provisions shall also apply to any successive V Share Classes issued in 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
- 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	Switching 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	0.60%	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%
MI	Up to 0.60%	-	-	-	-	-	0.01%	0.15%
V	1.50%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) 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 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 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 environmental or social characteristics promoted by the 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).
- 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).
- Tonnes of CO2 emissions avoided by positive impact investments (corporate and sovereigns).

b. Social:
- Percentage (%) of sovereign holdings considered as sustainable using the Investment Managers Sustainable Investment criteria for Sovereigns
- Number of underserved people reached including patients treated, customers served etc. by positive impact investments (corporate and sovereigns)

c. Positive impact assets:
- Percentage (%) of NAV invested in positive impact assets in the Fund

.

Additional security level sustainability indicators:
The Investment Manager assesses the securities purchased by the Fund for their contribution to the sustainable investment objective. The nature of sustainable investing is such that individual companies and/or sovereign and quasi-sovereign entities 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.

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.

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 (companies with MSCI ESG rating B or CCC), as well as companies with MSCI ESG rating BB and governments with MSCI ESG rating B or CCC, unless Investment Manager's in-house ESG assessment takes a different view, 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 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 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 https://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).



What is the asset allocation plan and minimum share of sustainable investments?

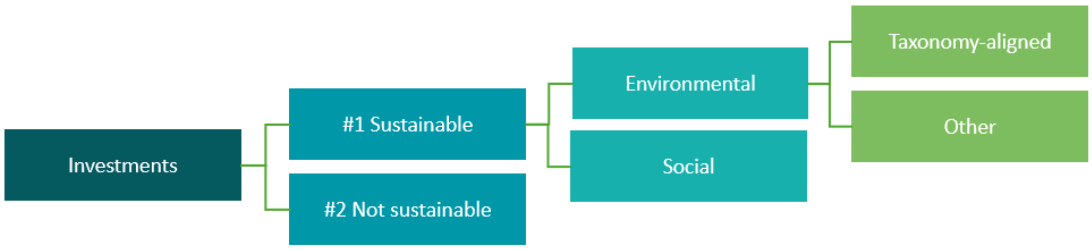
Asset allocation describes the share of investments in specific assets.

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.

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.

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.



#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 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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

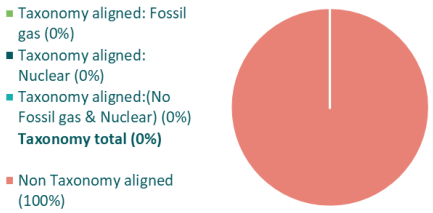
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

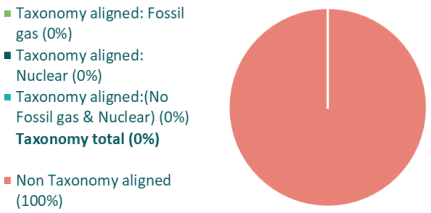
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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?

30%

What is the minimum share of socially sustainable investments?

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 environmental or social characteristics that they promote.

- **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	The Fund's approach to sustainable investment is explained in the precontractual annex to this Fund Supplement. 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. 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. **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	Morningstar Euro Aggressive Allocation - Global 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. 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. 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. For each Share Class, the Benchmark may be denominated or hedged into the relevant share class currency. The Benchmark for each Share Class will be shown on the M&G Website.
Profile of Typical Investor	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. 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. Additionally, the Fund's volatility management objective may limit potential gains as well as losses. 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
V Share Classes specific provisions	**Subscriptions:** 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. 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. For all other Share Classes, see section “Subscriptions” of the Prospectus. **Switches:** Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company. Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class A of the Fund on the fourth anniversary of the end of the IOP or at any other date determined by the Management Company, as its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible. With the exception of the automatic switch from Class V into Class A as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of “Share Classes Available for Issue” below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion. The above provisions shall also apply to any successive V Share Classes issued in 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.
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 • 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	Switching 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	0.60%	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%
MI	Up to 0.60%	-	-	-	-	-	0.01%	0.15%
V	1.50%	-	Up to 4%	Up to 4%	-	-	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, Redemption and Switching Charges shown are the maximum figures and, in some cases, may be less. The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 A 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) 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 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 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 environmental or social characteristics promoted by the 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).
- 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)
- Tonnes of CO2 emissions avoided by positive impact investments (corporate and sovereigns).

b. Social
- Percentage (%) of sovereign holdings considered as sustainable using the Investment Managers Sustainable Investment criteria for Sovereigns
- Number of underserved people reached including patients treated, customers served etc. by positive impact investments (corporate and sovereigns)

c. Positive impact assets:
- Percentage (%) of NAV invested in positive impact assets in the Fund

Additional security level sustainability indicators:
The Investment Manager assesses the securities purchased by the Fund for their contribution to the sustainable

investment objective. The nature of sustainable 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.

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.

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 (companies with MSCI ESG rating B or CCC), as well as companies with MSCI ESG rating BB and governments with MSCI ESG rating B or CCC, unless Investment Manager's in-house ESG assessment takes a different view, 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 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 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 https://www.mandg.com/country-specific-fund-literature.

- **What is the policy to assess good governance practices of the investee companies?**

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

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).

What is the asset allocation plan and minimum share of sustainable investments?

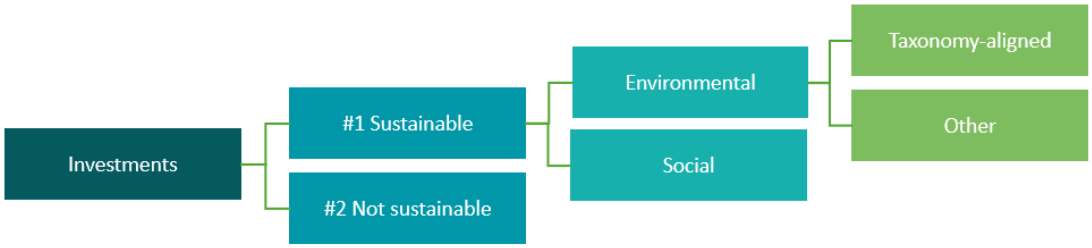
Asset allocation describes the share of investments in specific assets.

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.

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.

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.



#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 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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

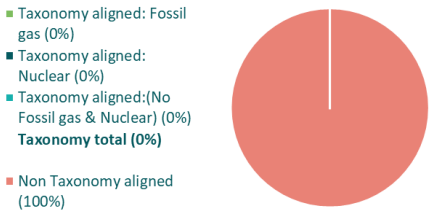
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

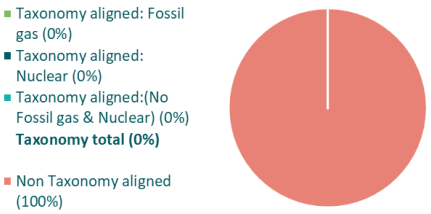
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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?

30%



What is the minimum share of socially sustainable investments?

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 environmental or social characteristics that they promote.

- **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) Step Into Equity Income 2030 Fund

Launch Date

15 September 2025.

First Day of the Investment Period

1 October 2025.

The First Day of the Investment Period is the date from which the "Step into Equity Income" is determined.

Investment Objective

The Fund aims to deliver a total return (capital growth plus income) over any five-year period, while applying ESG Criteria.

Investment Policy

The Fund will deliver a "Step into Equity Income" by increasing its target allocation to Equity Income investments through a series of quarterly steps corresponding to a full calendar quarter (the "Steps"). On the First Day of the Investment Period, the target allocation is 80% Fixed Income (as defined below) and 20% Equity Income (as defined below), and thereafter 4% Steps taken each quarter will ultimately result in a 100% Equity Income allocation after five years. These percentages refer to the proportion of the Fund's Net Asset Value. The first such quarter shall commence on a date to be determined by the Investment Manager, which will correspond to the First Day of the Investment Period, and will run until the end of the relevant Step. As a result, the first Step may be shorter or longer than a full calendar quarter. The exact dates will be disclosed in the Prospectus once available.

The Fund will target a rebalance to the allocation levels stated in the table below on the last Business Day of each quarter, or the Business Day following if an unexpected market event occurs preventing the scheduled rebalance (the "Rebalance Date").

Year (from the First Day of the Investment Period)	Target Investment Allocation	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1	Fixed Income	76%	72%	68%	64%
	Equity Income	24%	28%	32%	36%
2	Fixed Income	60%	56%	52%	48%
	Equity Income	40%	44%	48%	52%
3	Fixed Income	44%	40%	36%	32%
	Equity Income	56%	60%	64%	68%
4	Fixed Income	28%	24%	20%	16%
	Equity Income	72%	76%	80%	84%
5	Fixed Income	12%	8%	4%	0%
	Equity Income	88%	92%	96%	100%

The initial allocation on the First Day of the Investment Period may take several days to achieve. Market movements may mean the allocation achieved on the Rebalance Date may differ slightly from the target allocation, and are likely to mean that the Fund holds different percentage allocations in-between the Rebalance Dates.

The target allocations will be achieved by investing as follows:

Fixed Income allocation

The Fund will invest in UCITS managed by M&G which may have any fixed income investment strategy.

The Fund may invest, via UCITS managed by M&G:

- up to 10% of its Net Asset Value in distressed debt securities and defaulted debt securities;
- 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;
- up to a combined maximum of 30% of its Net Asset Value in high yield and unrated securities; and
- up to 35% of its Net Asset Value in government bonds and public securities.

Equity Income allocation

The Fund may invest directly in equity securities and equity-related instruments, or indirectly via UCITS with equity income strategies managed by M&G.

The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect or invest via the QFI status granted to the Investment Manager.

General

The Fund invests globally, in companies that are domiciled, incorporated or listed in any country and in government bonds and public securities, and in aggregate across the Fixed Income and Equity Income allocations may invest up to 20% of its Net Asset Value in emerging markets. The Fund may take exposure to companies across any sector and market capitalisation.

The Fund will invest in securities that meet the ESG Criteria, applying an Exclusionary Approach as described in the precontractual annex to this Fund Supplement.

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. All cash and near cash will be deemed to be part of the Fixed Income allocation.

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 Equity Income allocation may use derivative instruments for the purposes of hedging and efficient portfolio management. The UCITS with fixed income investment strategies managed by M&G that the Fund invests in may use derivatives instruments for investment purposes, hedging and efficient portfolio management including but not limited to, spot and forward contracts, exchange traded futures, credit default swaps, interest rate swaps and total return swaps.

Investment Strategy

Investment Approach

The Investment Manager aims to create a diversified portfolio with exposure to a broad range of countries and sectors globally.

For the Fixed Income allocation, the Investment Manager will invest in a blend of UCITS actively managed by M&G to create an allocation to global bonds.

For the Equity Income allocation, the Investment Manager will invest in stocks with different drivers of dividend growth to construct a portfolio that has the potential to cope in a variety of market conditions, or in UCITS actively managed by M&G with equity income strategies.

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 a total return (capital growth plus income) over any five-year period.

Product Structure

The Fund features distinct periods.

1. Initial Offer Period

The Fund will have an Initial Offer Period (the "IOP") – which could be one single day - 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 Annual Management Charge, Administration Charge and *taxe d'abonnement* 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.

Profile of Typical Investor

The Fund is designed for retail and Institutional Investors who:
a) have sustainability preferences, and
b) are seeking to gain a combination of capital growth and income and achieve full exposure to global equities through a structured five-year transition from an initial more conservative allocation comprising both equities and fixed income.
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 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.

V Share Classes specific provisions

Subscriptions:

Class V Shares in the Fund will have an IOP – which could be one single day - 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. 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.

For all other Share Classes, see section "Subscriptions" of the Prospectus.

Switches:

Switches from other Funds into Class V Shares of this Fund are not allowed, unless otherwise decided by the Management Company.

Class V Shares of the Fund are automatically switched free of charge for Shares of the corresponding Class B of the Fund five years after the First Day of the Investment Period or at any other date determined by the Management Company, at its entire discretion, before launch of the V Shares, in which case the new switch date will be disclosed here as soon as possible.

With the exception of the automatic switch from Class V into Class B as referred above, Shareholders who switch from V Share Class will be subject to a Switching Charge on the switch amount as disclosed in the table of "Share Classes Available for Issue" below. The Management Company or the Directors may waive the Switching Charge amount in their sole discretion.

The above provision shall also apply to any successive Class V Shares issued in the Fund.

Dealing Request Deadline

18.00 hours (Luxembourg time) on the Business Day prior to the Dealing Day

Distribution Policy

If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.

Distribution Share Classes can also be offered with a different distribution frequency than that of the Fund and are identifiable by a letter suffixed to their name (such as "M" for a monthly distribution Share Class). Please refer to the sections "Distribution Policy" and "Share Classes characteristics and naming convention" for further information.

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.

Fixed Income allocation:

- Credit
- Interest rate
- Contingent convertible debt securities
- Securitised bonds

Equity Income allocation:

- Concentrated portfolio
- Smaller companies

General:

- Allocation path timing risk
- Path-dependent market risk
- Capital & income will vary
- Counterparty
- Investment in funds
- Redemption charge
- Emerging markets
- China
- Currency & exchange rate
- Derivative instruments
- Specific asset class, region, country or sector risk
- Liquidity
- ESG data
- Investments exclusion

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	Local Tax *Taxe d'abonnement* (annual rate)	Administration Charge (maximum annual rate)
A	See Annual Management Charge table below	4.00%	-	-	0.05%	0.15%
B	See Annual Management Charge table below	-	-	-	0.05%	0.15%
C	See Annual Management Charge table below	1.25%	-	-	0.05%	0.15%
CI	See Annual Management Charge table below	1.25%	-	-	0.01%	0.15%
V	See Annual Management Charge table below	-	See Redemption Charge Schedule below	See Switching Charge Schedule below	0.05%	0.15%

The Annual Management Charge will apply in accordance with the schedule in the table below.

Annual Management Charge (annual rate)

Year	1*	2	3	4	5	> 5
A	0.90%	1.10%	1.30%	1.45%	1.65%	1.75%
B	1.05%	1.30%	1.60%	1.80%	2.10%	2.25%
C	0.40%	0.50%	0.55%	0.65%	0.70%	0.75%
CI	0.40%	0.50%	0.55%	0.65%	0.70%	0.75%
V	1.05%	1.30%	1.60%	1.80%	2.10%	2.25%

* Year 1 starts on the Launch Date of the Fund and runs to the end of the first year of the Investment Period.

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, Switching and Redemption Charges shown are the maximum figures and, in some cases, may be less.

The Management Company or the Directors may reduce or waive the Initial, Redemption or Switching Charge amount in their sole discretion.

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 V Redemption Charge Schedule

Year (from the First Day of the Investment Period)	1	2	3	4	5
Redemption Charge	2.00%	1.60%	1.20%	0.80%	0.40%

Class V Switching Charge Schedule

Year (from the First Day of the Investment Period)	1	2	3	4	5
Switching Charge	2.00%	1.60%	1.20%	0.80%	0.40%

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) Step Into Equity Income 2030 Fund
Legal Entity Identifier: 254900JQACMZ5TJW9507

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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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.

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.
In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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 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.

Where the Fund invests in collective investment schemes (other than money market funds), such collective investment schemes must have the same or stricter exclusions to those in the ESG Criteria.

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).

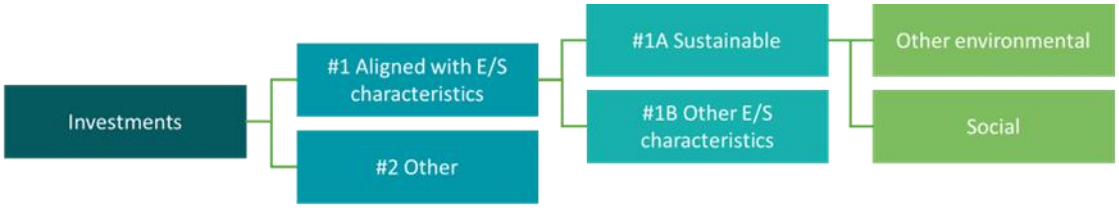


What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

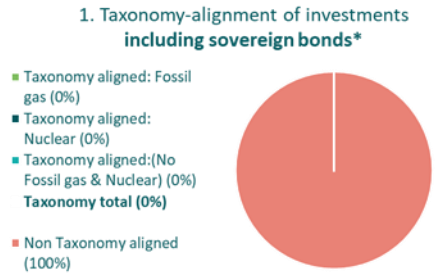
☒ **No**

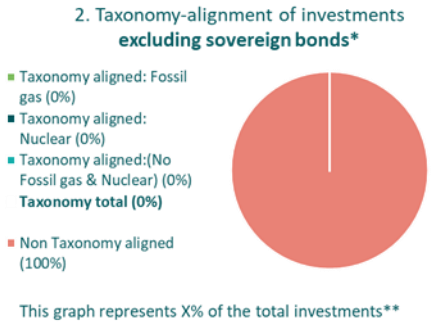
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

5%

environmentally sustainable economic activities under the EU Taxonomy

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

Fixed Maturity Funds

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	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. The Fund may invest up to 50% in below investment grade and unrated debt securities. 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. 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. 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 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. Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency. 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. 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 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 • 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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 placed on term deposit 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 .

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?

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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
- 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?

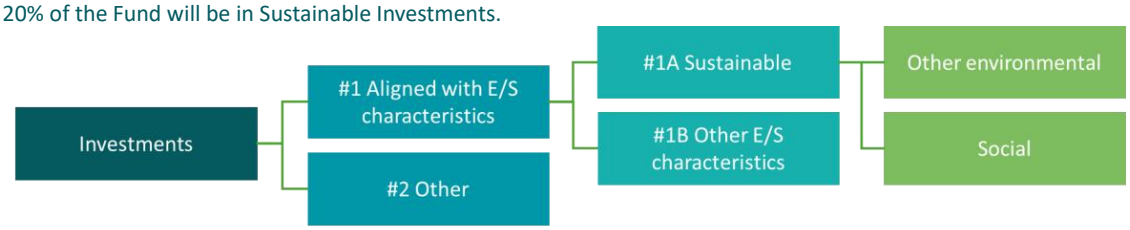
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager 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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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



#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 investment 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.

operational activities of investee companies.

- **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 on the basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

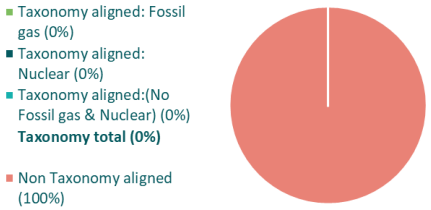
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

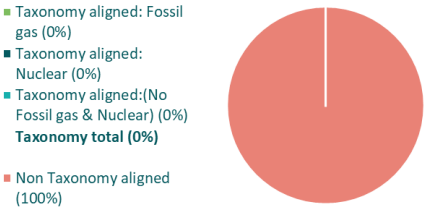
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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 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:
https://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.
Duration	The Fund is established for a fixed term of three (3) years from the First Day of the Investment Period.
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	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. The Fund may invest up to 30% in below investment grade and unrated debt securities. 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. 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. 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 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. Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency. 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. 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.
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
- 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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 placed on term deposit 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.

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?

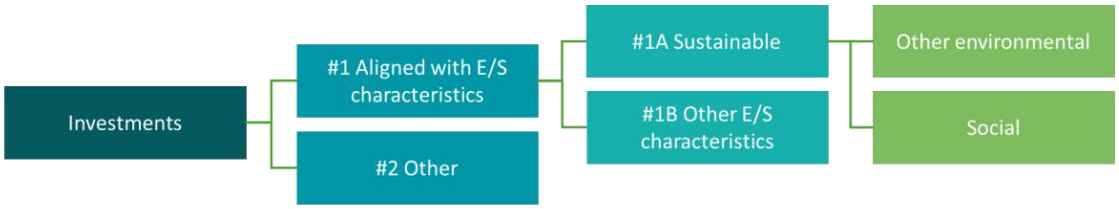
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager 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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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



#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 investment 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.

operational activities of investee companies.

- **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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

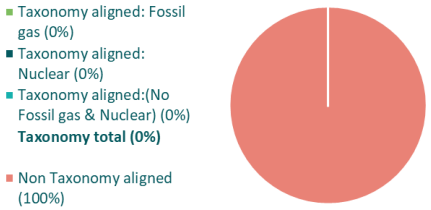
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

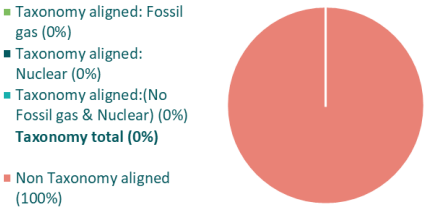
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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 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:
https://www.mandg.com/country-specific-fund-literature

M&G (Lux) Fixed Maturity Bond Fund 5

Launch Date	7 November 2024.
First Day of the Investment Period	6 February 2025.
Duration	The Fund is established for a fixed term of four (4) years from the First Day of the Investment Period.
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	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. The Fund may invest up to 35% in below investment grade and unrated debt securities. 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. 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. 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 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. 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. Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency. 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. 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.
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
- 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.

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) Fixed Maturity Bond Fund 5
Legal Entity Identifier: 254900OK6SNIM6WZMU07

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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 placed on term deposit 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.

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
- 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.

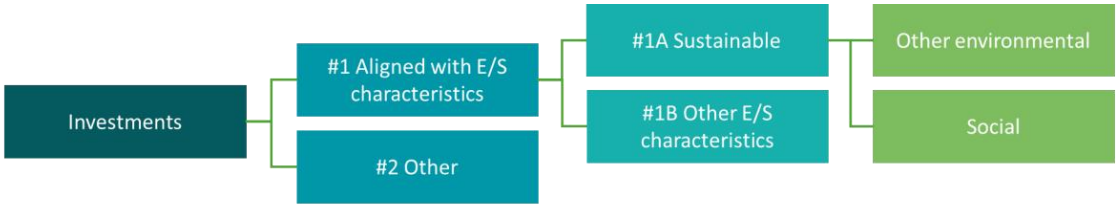
What is the policy to assess good governance practices of the investee companies?

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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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.

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.

- **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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

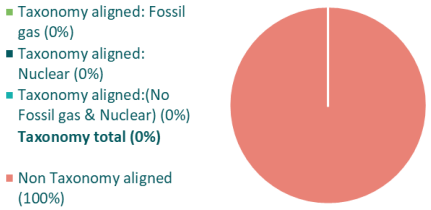
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

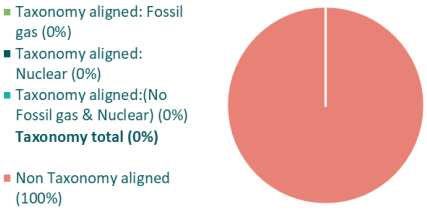
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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 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:
https://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	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. The Fund may invest up to 40% in below investment grade and unrated debt securities. 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. 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. 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 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. 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. Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency. 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. 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.
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
- 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.

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) 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 placed on term deposit 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.

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
- 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?

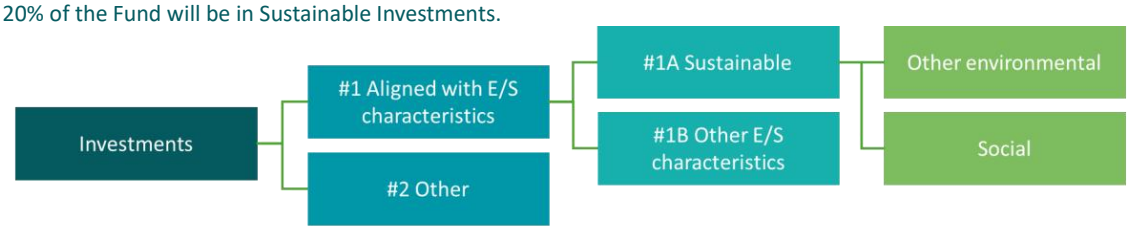
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager 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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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



#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 investment 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.

operational activities of investee companies.

- **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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

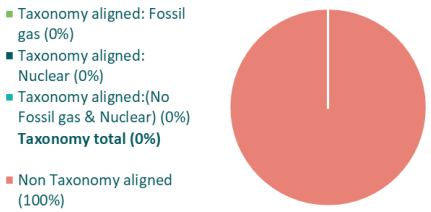
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

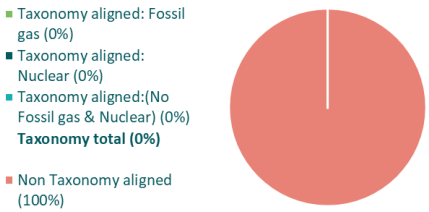
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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 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:
https://www.mandg.com/country-specific-fund-literature

M&G (Lux) Fixed Maturity Bond Fund IG 2031

Launch Date	1st of July 2026.
First Day of the Investment Period	15 September 2026 or any other date decided by the Management Company or by the Board of Directors of the Company, in which case the new date 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.
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	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. The Fund may invest up to 40% in below investment grade and unrated debt securities. 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. Under normal market conditions, the average portfolio credit quality is expected to be at least investment grade. 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. 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 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. 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. Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency. 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. 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.

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Product Structure

The Fund features distinct periods.

1 Initial Offer Period

The Fund will have an Initial Offer Period (the "IOP") - which could be one single day - 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	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
- 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
P2	Up to 1.20%	2%	See the schedule below
P3/P4	Up to 1.40%	-	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.

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) Fixed Maturity Bond Fund IG 2031
Legal Entity Identifier: 254900JWE9D71QK1DE95

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 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 placed on term deposit 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.

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?

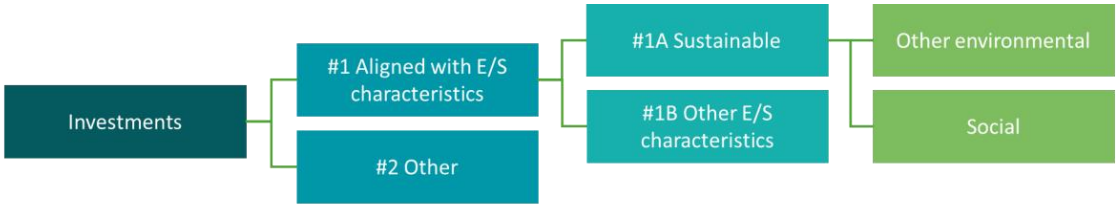
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager 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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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



#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 investment 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.

operational activities of investee companies.

- **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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

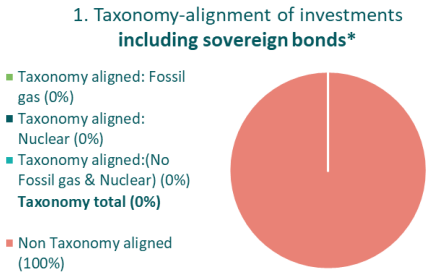
☒ **No**

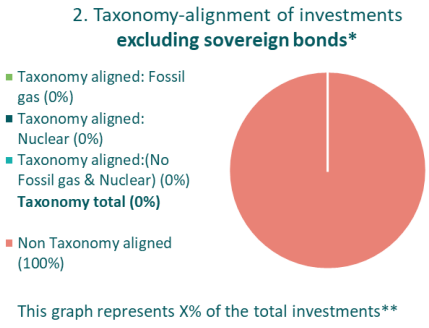
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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 High Yield Fund 2031

Launch Date	24 February 2026
First Day of the Investment Period	7 April 2026
Duration	The Fund is established for a fixed term of five (5) 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	During the Investment Period as defined below, the Fund invests at least 60% of its Net Asset Value in below investment grade debt securities and unrated securities. The Fund may invest up to 40% 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. 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. 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. 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 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. 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. Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency. 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. 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") – which could be one single day - 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	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
- 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
P2	Up to 1.20%	Up to 2.00%	See the schedule below
P3/P4	Up to 1.45%	-	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.

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.

Product Name: M&G (Lux) Fixed Maturity Bond High Yield Fund 2031
Legal Entity Identifier: 254900QMUNH8SES4VG58

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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:__%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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.

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 placed on term deposit 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.

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).

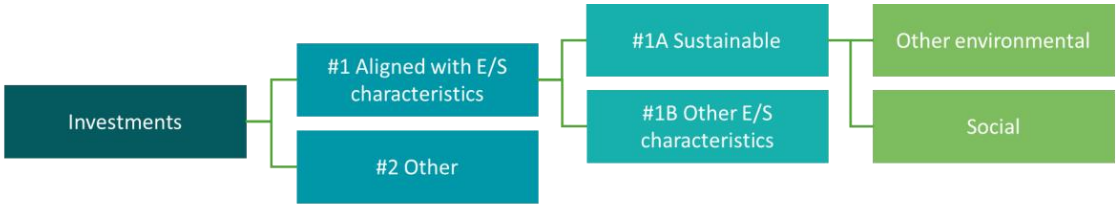
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

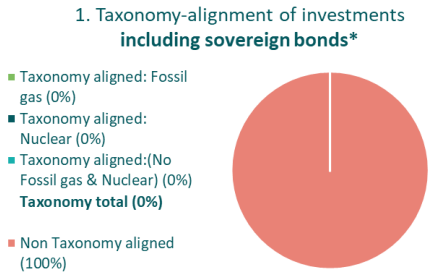
☒ **No**

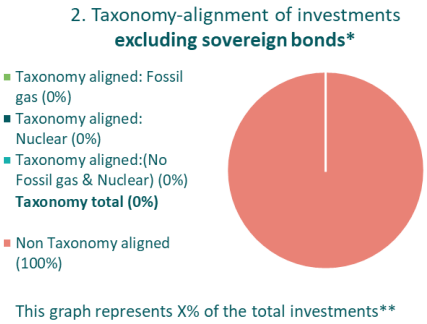
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.





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 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

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

product attains the environmental or social characteristics that they promote.

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 17

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 is 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

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.

The Fund may invest up to 50% of its Net Asset Value in below investment grade and unrated debt securities.

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.

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.

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 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.

Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency.

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.

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") – which could be one single day - 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 • 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
P2	Up to 1.20%	Up to 2.00%	See the schedule below
P3/P4	Up to 1.50%	-	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) Fixed Maturity Bond Fund 17
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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 placed on term deposit 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.

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?

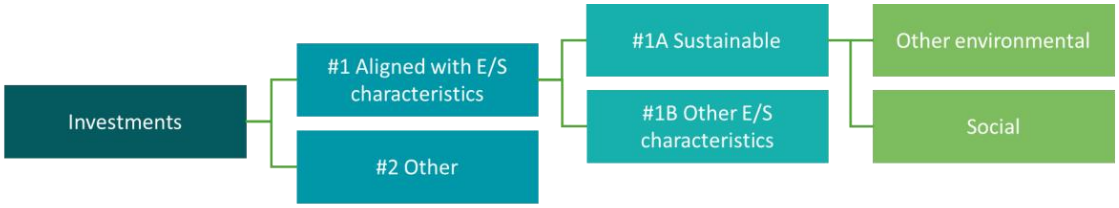
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager 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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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



#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 investment 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.

operational activities of investee companies.

- **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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

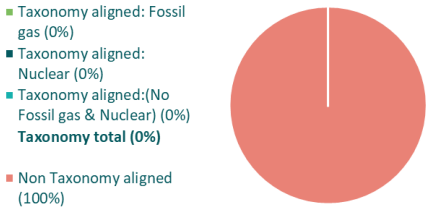
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

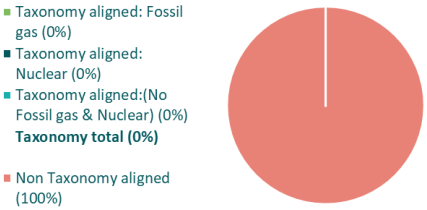
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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 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 18

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 is 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	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. The Fund may invest up to 40% of its Net Asset Value in below investment grade and unrated debt securities. 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. 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. 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 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. 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. Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency. 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.

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") - which could be one single day -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 • 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
P2	Up to 1.20%	Up to 2%	See the schedule below
P3/P4	Up to 1.50%	-	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.

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) Fixed Maturity Bond Fund 18
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 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 placed on term deposit 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.

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?

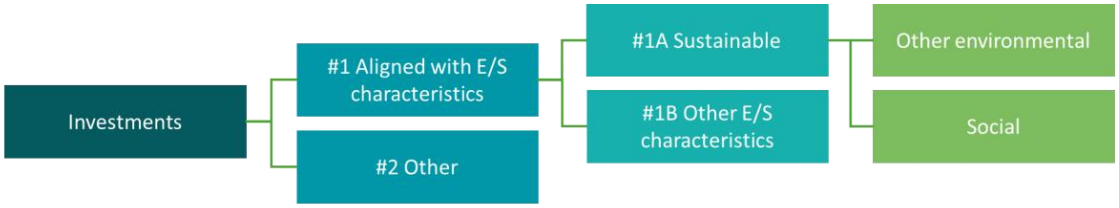
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager 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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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



#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 investment 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.

operational activities of investee companies.

- **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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

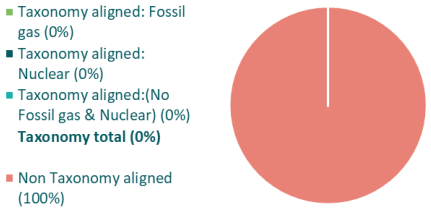
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

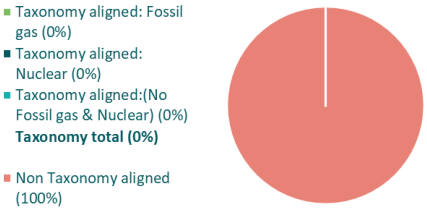
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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 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 19

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 is 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	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. The Fund may invest up to 35% of its Net Asset Value in below investment grade and unrated debt securities. 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. 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. 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 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. 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. Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency. 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.

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") - which could be one single day - 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 • 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
P2	Up to 1.20%	Up to 2.00%	See the schedule below
P3/P4	Up to 1.40%	-	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) Fixed Maturity Bond Fund 19
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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 placed on term deposit 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.

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?

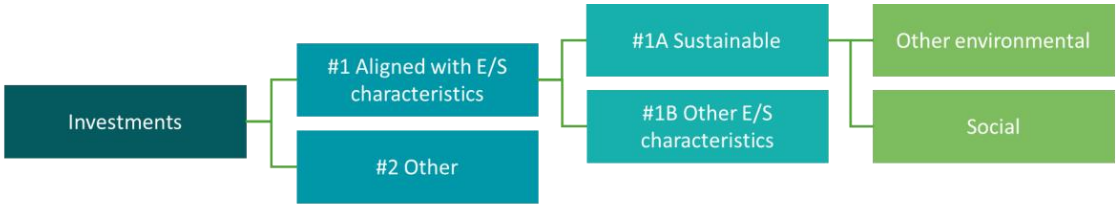
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager 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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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



#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 investment 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.

operational activities of investee companies.

- **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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

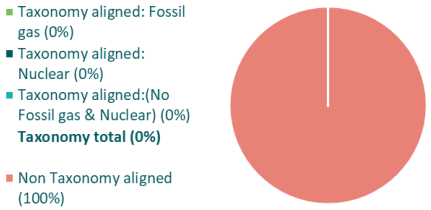
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

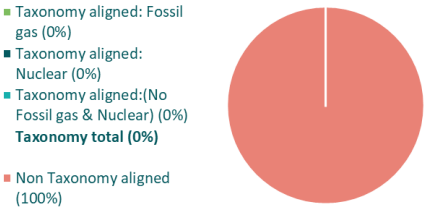
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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 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 20

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 is 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	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. The Fund may invest up to 30% of its Net Asset Value in below investment grade and unrated debt securities. 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. 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. 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 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. Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency. 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.

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") – which could be one single day - 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
- 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
P2	Up to 1.20%	Up to 2.00%	See the schedule below
P3/P4	Up to 1.40%	-	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.

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) Fixed Maturity Bond Fund 20
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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 placed on term deposit 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.

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?

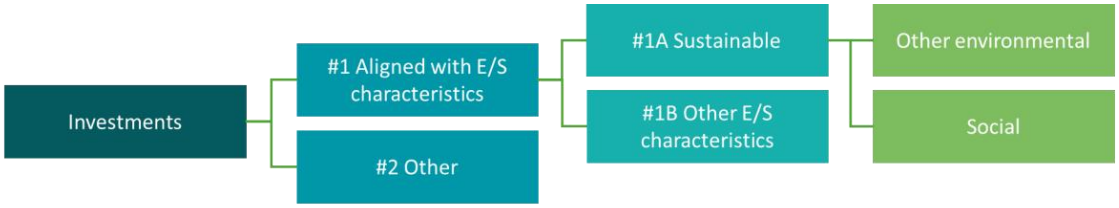
The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager 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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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



#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 investment 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.

operational activities of investee companies.

- **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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

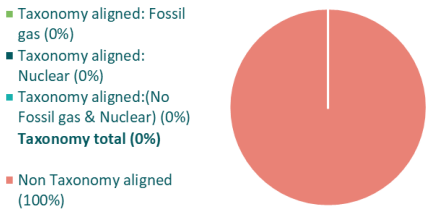
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

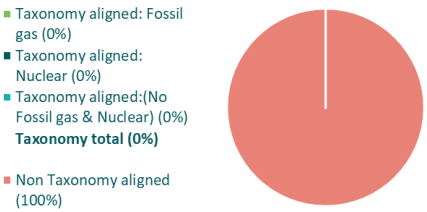
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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 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 21

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 is 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	During the Investment Period as defined below, the Fund invests at least 75% 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. The Fund may invest up to 25% of its Net Asset Value in below investment grade and unrated debt securities. 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. 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. 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 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 25% 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. Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency. 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.

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") – which could be one single day - 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
- 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
P2	Up to 1.20%	Up to 2.00%	See the schedule below
P3/P4	Up to 1.40%	-	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) Fixed Maturity Bond Fund 21
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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 placed on term deposit 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.

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
- 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.

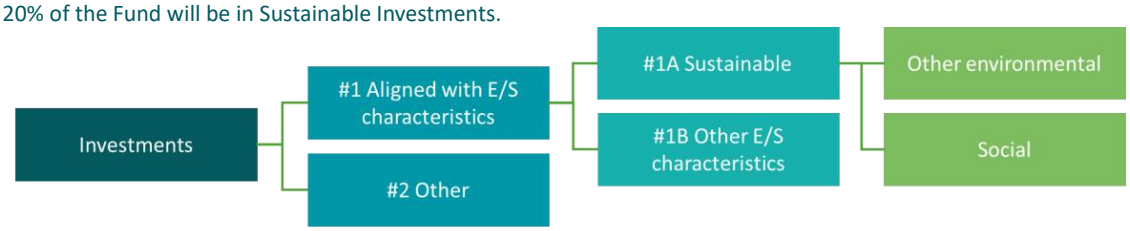
What is the policy to assess good governance practices of the investee companies?

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).

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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.

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.

- **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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

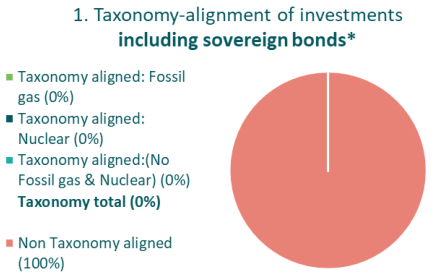
☒ **No**

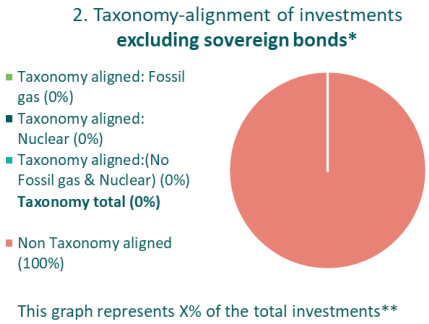
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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:
https://www.mandg.com/country-specific-fund-literature

M&G (Lux) Asian 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	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. The Fund may invest up to 20% of its Net Asset Value in below investment grade and unrated debt securities. 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. The Fund may invest in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market. 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. 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 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. Currency exposures are typically in the Fund's Reference Currency or hedged back to its Reference Currency. 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.

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") – which could be one single day - 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	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	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
- China
- Interest rate
- Counterparty
- Currency & exchange rate
- Securitised bonds
- Emerging markets
- Investment in funds
- Derivative instruments
- Fixed maturity fund
- 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.

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) Asian 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 environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 placed on term deposit 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.

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.
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 investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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).

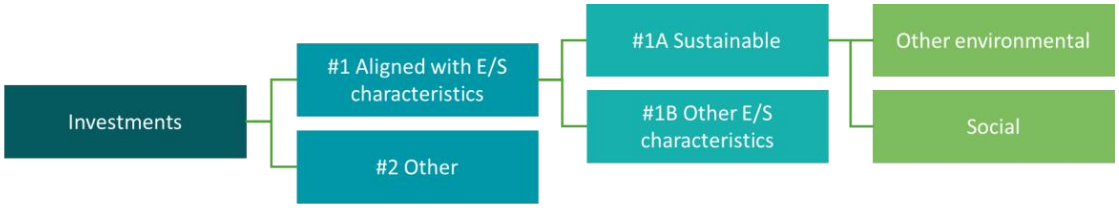
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 investment 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 basis of their alignment to the Exclusionary Approach:

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 Taxonomy[1]?**

☐ **Yes**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

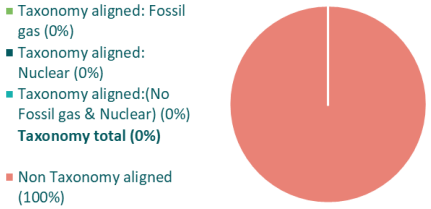
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

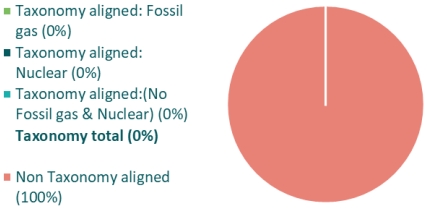
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



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 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:
https://www.mandg.com/country-specific-fund-literature

Appendix 1: ESG Integration and Approaches to Responsible Investment

ESG Integration

The Investment Manager considers ESG integration to be explicit and systematic inclusion of financially material ESG factors (both risks and opportunities) into investment analysis and investment decisions

Financially material ESG risks and opportunities are defined as environmental, social or governance factors that, if they occur, could cause an actual or potential material negative or positive impact on the value of the investment and / or returns from that asset, respectively.

We seek to integrate ESG across all investments as far as we are able to. For some investment strategies/financial instruments, it is not appropriate or feasible to do so due to factors such as a lack of an agreed methodology to assess sustainability risks, lack of data or poor data quality.

ESG integration is a foundational element of M&G Investments' approach and is applied across all investment activities where financially material. This includes Funds classified under SFDR Articles 6, 8, and 9.

While the regulatory classification defines the Funds' sustainability disclosures and objectives, ESG integration remains a consistent and systematic practice across M&G's investment processes, tailored to each Fund's strategy, asset class, and client mandate.

For more information, please refer to the M&G Investments ESG Integration and Sustainable Investing policy on the M&G website.

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.
Carbon intensity	A measure of the amount of carbon emissions produced by the company per unit of revenue generated by the company.
Carbon intensity laggards	Companies that have a very high carbon intensity compared to other companies in their sector, as measured by being above the Investment Manager's threshold.
Credible Transition	Where a company has demonstrated the intent and evidence of a credible plan and/or progress to transition away from thermal coal in its activities and operations, with the ambition to have phased out 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.

	The transition away from coal must be assessed as credible in the opinion of the Investment Manager.
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. • **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	Where a Fund applies an Exclusionary Approach, the following types of exclusions apply to the Fund's direct investments: • 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. References to "assessed" above mean assessment in accordance with the Fund's ESG Criteria.

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	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.

	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. The Funds are managed with an active ownership approach to engagement and voting.
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 is available on request.

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 Share[3] 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 x 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 x 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 x 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 x 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 x 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 (5.01x 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) x 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) x 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) x 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) x 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) x 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) x 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) x 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 x 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 on the Performance Fee are available from the Management Company on request.

M&G Investments

Country Supplement

This Country Supplement should be read in conjunction with the prospectus for M&G (Lux) Investment Funds 1.

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Austria

Right to Distribution in Austria

The Company has notified the Finanzmarktaufsicht ("FMA") of its intention to publicly market shares in Austria. Since completion of the notification process the Company has the right to publicly market shares in Austria.

With respect to the following sub-funds no registration notification has been filed with FMA. Consequently, Shares in the following sub-funds must not be distributed in Austria:

- **M&G (Lux) Fixed Maturity Bond Fund**
- **M&G (Lux) Fixed Maturity Bond Fund 3**
- **M&G (Lux) Step Into Equity Income 2030 Fund**
- **M&G (Lux) Sustainable Multi Asset Growth Fund**
- **M&G (Lux) TAP Global Listed Infrastructure Fund**

Facility for investors in Austria

The function of the facility the meaning of Art. 92 of Directive 2009/65/EC, as amended by Directive (EU) 2019/1160, in Austria has been assumed by:

Société Générale Zweigniederlassung Wien
Prinz Eugen-Strasse 8-10/5/Top 11
1040 Wien

Denmark

Right to Distribution in Denmark

The Company has notified the Finanstilsynet ("FSA") of its intention to publicly market shares in Denmark. Since completion of the notification process the Company has the right to publicly market shares in Denmark.

Facility for investors in Denmark

The facilities in Denmark within the meaning of points (a) to (e) of Art 92(1) Directive 2009/65/EC will be provided by:

M&G Luxembourg S.A Swedish Filial
Birger Jarlsgatan 14 11434
Stockholm Sweden

Tel: +46 8 506 217 13 / +4670 321 33 30
Email address: EuropeClientServices@mandg.com / Nordics@mandg.com

Germany

Right to Distribution in Germany

The Company has notified the Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin") of its intention to distribute its Shares in Germany and may do so since completion of the notification process.

With respect to the following sub-funds no registration notification has been filed with BaFin and consequently Shares in the following sub-funds must not be distributed in Germany:

- **M&G (Lux) Fixed Maturity Bond Fund 3**
- **M&G (Lux) Step Into Equity Income 2030 Fund**
- **M&G (Lux) Sustainable Multi Asset Growth Fund**
- **M&G (Lux) TAP Global Listed Infrastructure Fund**

Facility for investors in Germany

M&G International Investments S.A. Niederlassung Deutschland
MainBuilding
Taunusanlage 19
60325 Frankfurt am Main
Tel.: +49 (0)69 1338 6767
Fax: +49 (0)69 1338 6731

Subscription, payment, redemption and conversion orders for Shares are processed in accordance with the conditions set out in the sales documents.

Investors are informed by the facility how the aforementioned orders can be made and how redemption proceeds are paid.

Procedures and arrangements in relation to the exercise and safeguarding of investor rights under Art. 15 of Directive 2009/65/EC have been established. The facility facilitates access within the scope of this law and investors can obtain information about this from the facility.

Hardcopies of the Prospectus, the Key Information Documents (PRIIPs), and the Company's Articles, as well as the annual and semi-annual financial reports are available free of charge at the facility. Moreover, issue, conversion and redemption prices of Shares can be obtained free of charge from the facility.

All of the documents listed under "7. Access to Documents" in the section "General Information" of the Prospectus are also available for inspection during normal business hours at the premises of the facility.

The facility also holds any additional information that may be made available to investors at the Company's registered office in Luxembourg.

Ireland

Right to Distribution in Ireland

The Directors of the Fund, whose names appear in the Management and Administration section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Facilities Agent for Irish investors

The Fund has appointed Société Générale Securities Services Dublin as Facilities Agent of the Fund in Ireland for the facilities tasks listed in Article 92 of Directive 2009/65/EC, as amended by Directive 2019/1160, and it has agreed to provide such facilities at its office at 3rd Floor IFSC House IFSC, Dublin 1 Ireland, where it will:

1) Process subscription, repurchase and redemption orders and make other payments to Shareholders relating to the Shares of the Fund, in accordance with the conditions set out in the Prospectus and the Key Information Documents;
2) Provide investors with information on how orders referred to in point 1. can be made and how repurchase and redemption proceeds are paid;
3) Facilitate the handling of information and access to procedures and arrangements referred to in Article 15 Directive 2009/65/EC relating to the investors' exercise of their rights arising from their investment in the Fund in the Member State where the Fund is marketed;
4) Make the information and documents required pursuant to Chapter IX Directive 2009/65/EC available to investors under the conditions laid down in Article 94 Directive 2009/65/EC, for the purposes of inspection and obtaining copies thereof;
5) Provide investors with information relevant to the tasks that the Facilities Agent performs in a durable medium;
6) Act as a contact point for communicating with the competent authorities.

Irish Taxation

The following information is based on the law in force in Ireland on the date of this Prospectus. This summary deals only with Shares held as capital assets by Irish resident Shareholders and does not address special classes of Shareholders such as dealers in securities or persons that may be exempt from tax such as Irish pension funds and charities. This summary is not exhaustive and Shareholders are advised to consult their own tax advisors with respect to the taxation consequences of the ownership or disposition of Shares.

It is the intention of the Directors to conduct the affairs of the Fund so that it is neither resident in Ireland for tax purposes nor carrying on a trade in Ireland through a branch or agency. Accordingly, the Fund will not be subject to Irish corporation tax.

Taxation generally

Shares in the Fund are likely to constitute a “material interest” in an offshore fund for the purposes of Chapter 4 Part 27 of the Taxes Consolidation Act, 1997.

Reporting of acquisition

An Irish resident or ordinarily resident person acquiring Shares in the Fund is required to disclose details of the acquisition in his annual tax return. Where an intermediary in the course of carrying on a business in Ireland acquires Shares in the Fund it must report details of the acquisition to the Irish Revenue Commissioners.

Income and capital gains

An Irish resident corporate Shareholder will be liable to corporation tax at 25% on income distributions received from the Fund and on gains on disposal of shares in the Fund, except where the corporate shareholder holds shares as part of its trading activities in which case the rate of corporation tax applicable will be that applicable to trading income. It should be noted that no indexation allowance is available in respect of the gain.

Where an Irish resident or ordinarily resident person who is not a company holds Shares in the Fund and receives an income distribution from the Fund, that Shareholder will be liable to Irish tax at 41% on the amount of such distribution.

Where an Irish resident or ordinarily resident person who is not a company disposes of a Share a liability to Irish tax at 41% will arise on the amount of the gain. No indexation allowance is available and the death of a Shareholder would constitute a deemed disposal of a Share.

There is a deemed disposal and reacquisition at market value for the purposes of Irish tax of Shares held by an Irish resident or ordinarily resident investor on a rolling 8 year basis where the Shares are acquired on or after 1 January 2001. This deemed disposal takes place at market value so that Irish resident or ordinarily resident shareholders will be subject to tax at the rate of 41% for individuals or 25% for a corporate shareholder on the increase in value of their Shares at 8 year intervals commencing on 8th anniversary of the date of acquisition of the Shares.

To the extent that any tax arises on such a deemed disposal such tax will be taken into account to ensure that any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares does not exceed the tax that would have arisen had the deemed disposal not occurred.

Anti-avoidance provision

There is an anti-avoidance provision imposing higher rates of tax on Irish resident investors in "personal portfolio investment undertakings" (“PPIU”). A PPIU is a fund in which the investor, or a person connected with the investor, has a right under the terms of the fund or any other agreement, to influence the selection of the assets of the fund. If a fund is treated as a PPIU the Irish resident investor can suffer tax at rates of up to 60% (80% where details of the payments/disposal are not correctly included in the shareholder's annual tax return) on amounts received from the fund, or on the rolling 8 year deemed disposal.

Specific exemptions apply where the ability to select the property invested in has been clearly identified in the offshore fund's marketing and promotional literature and the investment is widely marketed to the public.

Withholding obligation on paying agents

If any dividend is paid through an Encashment Agent established in Ireland, such an agent would be obliged to deduct tax from such dividend at the standard rate of income tax and account for this to the Irish Revenue Commissioners. The recipient of the dividend would be entitled to claim a credit for the sum deducted by the Paying Agent against his tax liability for the relevant year.

Stamp duty

Transfers for cash or Shares in the Fund will not be subject to Irish stamp duty.

Gift and inheritance tax

A gift or inheritance of Shares in the Fund received from a person who is resident or ordinarily resident in Ireland or received by such a person will be within the charge to Irish capital acquisitions tax. Capital acquisitions tax is charged

at a rate of 33% above a tax-free threshold which is determined by the amount of the benefit and of previous benefits within the charge to capital acquisitions tax, and the relationship between the person treated as disposing of such shares and the successor or donee. Tax chargeable on the gain arising on a deemed disposal by an individual on their death shall be treated as an amount paid in respect of capital gains tax for the purposes of crediting such amount paid against gift on inheritance tax arising on such death.

Transfers between funds

The Directors have been advised that in the Republic of Ireland the exchange of Shares in one sub-fund for shares in another subfund of an umbrella scheme should not constitute a disposal of such Shares and will not give rise to a charge to tax.

Liechtenstein

Right to Distribution in Liechtenstein

The following sub-funds of M&G (Lux) Investment Funds 1 may not be publicly distributed to investors in Liechtenstein:

- **M&G (Lux) Emerging Markets Corporate Bond Fund**
- **M&G (Lux) Diversity and Inclusion Fund**
- **M&G (Lux) Fixed Maturity Bond Fund**
- **M&G (Lux) Fixed Maturity Bond Fund 1**
- **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) Step Into Equity Income 2030 Fund**
- **M&G (Lux) Fixed Maturity Bond High Yield Fund 2031**
- **M&G (Lux) Sustainable Macro Flexible Credit Fund**
- **M&G (Lux) Sustainable Multi Asset Growth Fund**
- **M&G (Lux) TAP Global Listed Infrastructure Fund**

Facility for investors in Liechtenstein

M&G Luxembourg S.A
Niederlassung Deutschland mainBuilding,
Taunusanlage 19,
60325 Frankfurt am Main, Germany

provides facilities for investors in Liechtenstein to perform the following tasks according to Article 92(1)(a)-(e) of Directive 2009/65/EC as amended by Directive (EU) 2019/1160:

- Process subscription, repurchase and redemption orders and make payments to German investors
- Provide investors with information on how applications for the redemption and conversion of shares can be made and how repurchase and redemption proceeds are paid
- Make the required information and documents available to investors for the purposes of inspection and obtaining copies thereof
- Facilitate the handling of information and access to procedures and arrangements relating to the investors' exercise of their rights arising from their investment (investor complaints)
- Provide investors with information relevant to the tasks that the facilities perform in a durable medium

Information to the shareholders
Obtaining documents
The following documents are available free of charge from the website www.mandg.com/investments/lu/ and upon request, from the Fund's registered office:

- the Prospectus,
- the German version of the Key Investor Information Documents (KIIDs),
- the annual and semi-annual report,
- the articles of incorporation.

Publication media
Publications of the Fund are published on the following website: www.mandg.com/investments/lu/ choosing the investor type and country of residence. In addition, they can be obtained at the registered office of the Management Company

The Net Asset Value and the issue and redemption prices of the shares are published on the website of the Fund on www.mandg.com/investments/lu/

UK

FCA Product Reference Number (PRN): 1046893

Right to Distribution in UK

M&G (Lux) Investment Funds 1 (the "Fund") is categorized as a "recognized scheme" in the United Kingdom under Section 264 of the Financial Services and Markets Act 2000, as amended ("FSMA"). In connection with the Fund's recognition under Section 264 of FSMA, the Fund has appointed a UK Facilities Agent (the "Facilities Agent").

This fund is domiciled in Luxembourg and is authorised by the Commission de Surveillance du Secateur Financier. The fund is recognised in the UK under the Overseas Funds Regime but is not a UK authorised fund.

Facilities Agent for investors in the UK

Societe Generale London Branch
One Bank Street, Canary Wharf
London E14 4SG
United Kingdom

The following documents related to the Fund will be available for inspection and for the obtaining (free of charge) of copies in English during regular business hours at the office of the Facilities Agent:

- the Articles of Incorporation of the Fund;
- the latest Prospectus for the Fund;
- Key Investor Information Documents;
- the latest annual and half-yearly reports.

The prospectus contains information describing where information in English can be obtained about prices of the shares of the Fund and where a participant in the Fund may redeem or arrange for redemption of the shares of the Fund and obtain payment. For UK investors, information in English can be obtained about prices of the Fund and where a participant may arrange for redemption of the shares of the Fund and arrange payment from the Facilities Agent.

The facility also holds any additional information that may be made available to investors at the Company's registered office in Luxembourg.

Complaints handing process

Any person wishing to make complaint about the operation of the Fund can submit a complaint in English to the UK Facilities Agent at the address set out above for transmission to the Fund.

Our complaints process is published on our website on https://www.mandg.com/investments/private-investor/en-gb/complaints-dealing-process

UK investors should be aware that if they invest in this fund, they may not be able to refer a complaint against its management company or its depositary to the UK's Financial Ombudsman Service. Any claims for losses relating to the management company or the depositary will not be covered by the Financial Services Compensation Scheme, in the event that either person should become unable to meet its liabilities to investors.

A UK investor will be able to make a complaint to the fund and its management company, and will have a right to access the alternative dispute resolution scheme free of charge in Luxembourg. A UK investor will not have a right to

access a compensation scheme in Luxembourg in the event that either the fund's management company or the depositary should become unable to meet its liabilities to investors.

Pricing basis

There shall be a single price for a Share in any Class. The Company deals on a forward pricing basis. A forward price is the price calculated at the next valuation point after the purchase or sale is agreed.

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".

Shareholders should note that as dilution is related to inflows and outflows of monies and the purchase and sale of investments, it is not possible to predict accurately if and when dilution will occur and to what extent. However, in order to materially reduce 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.

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. At the discretion of the Registrar and Transfer Agent, transfer notices and applications may be submitted electronically. Please contact the Management Company or the Registrar and Transfer Agent for further details.

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.

Capital gains taxation

Please note that a switch of Shares in one sub-fund for Shares in any other Sub-fund is treated as a redemption and sale and will, for persons subject to UK taxation, be a realisation for the purposes of capital gains taxation. The Funds are eligible to be held within an ISA.

Past Performance

Past performance of the Funds can be found in the corresponding UCITS KIID.

UCITS OFFER NO GUARANTEED RETURN AND PAST PERFORMANCE DOES NOT GUARANTEE THE FUTURE ONES.