

M&G (Lux) Global Corporate Bond Fund USD Class A – Accumulation shares

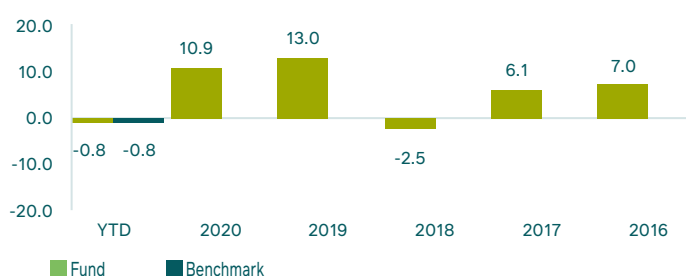
Monthly Fund Review as at 31 January 2021

For investment professionals only

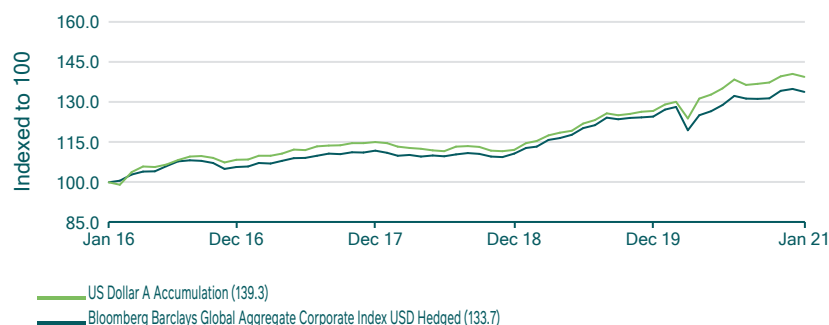
Fund description

The fund aims to provide combined income and capital growth that is higher than that of the global investment grade corporate bond market (as the Barclays Global Aggregate Corporate Index USD Hedged Index) over any five-year period. At least 80% of the fund is invested in investment grade bonds issued by companies from anywhere in the world, denominated in any currency. Investments are selected based on an assessment of macroeconomic factors such as economic growth, interest rates and inflation. Spreading investments across issuers, industries and countries is an essential element of the fund's strategy.

Annual performance (%)



Performance over 5 years



Fund performance

	1 month (%)	3 months (%)	YTD (%)	1 year (%)	3 years (%) p.a.	5 years (%) p.a.
US Dollar A Accumulation	-0.8%	1.5%	-0.8%	7.9%	6.7%	6.8%
Bloomberg Barclays Global Aggregate Corporate Index USD Hedged	-0.8%	1.9%	-0.8%	5.2%	6.4%	6.0%
Sector	-0.7%	2.3%	-0.7%	5.6%	5.6%	5.7%

Past performance is not a guide to future performance. The benchmark is a comparator against which the fund's performance can be measured. The index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

The fund is actively managed. The investment manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents.

Fund performance prior to 7 December 2018 is that of the USD Class A Accumulation of the M&G Global Corporate Bond Fund (a UK-authorized OEIC), which merged into this fund on 7 December 2018. Tax rates and charges may differ.

Source: Morningstar, Inc and M&G, as at 31 January 2021. Returns are calculated on a price to price basis with income reinvested. Benchmark returns stated in USD terms.

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Key information

Fund manager(s)	Ben Lord
Fund manager tenure from	05 September 2013
Deputy fund manager(s)	Wolfgang Bauer
ISIN	LU1670712956
Launch date of fund	07 December 2018
Launch of share class	07 December 2018
Fund size (millions)	\$ 326.44
Fund type	SICAV
Benchmark	Bloomberg Barclays Global Aggregate Corporate Index USD Hedged
Sector	Morningstar Global Corporate Bond - USD Hedged sector
Number of issuers	110
Average credit rating	A-
Modified duration (years)	6.84
VaR	3.50%
Average coupon	2.55
Spread duration (years)	7.1

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

Charges

Maximum entry charge	4.00%
Ongoing charge	1.21%

Fund ratings

Overall Morningstar rating	★★★★
Source of Morningstar ratings: Morningstar, as at 31 January 2021	

Ratings should not be taken as a recommendation.

Asset breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
Government bonds	12.3	0.0	0.0	6.3
Investment grade corporate bonds	78.5	0.0	5.4	84.0
Fixed rate	71.0	0.0	5.4	76.5
Floating rate	7.4	0.0	0.0	7.4
Index linked	0.0	0.0	0.0	0.0
Credit default swap indices	0.0	0.0	0.0	0.0
High yield corporate bonds	3.7	0.0	0.5	4.2
Fixed rate	3.5	0.0	0.5	4.0
Floating rate	0.3	0.0	0.0	0.3
Index linked	0.0	0.0	0.0	0.0
Credit default swap indices	0.0	0.0	0.0	0.0
Securitized	0.9	0.0	0.0	0.9
Equities	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Cash	4.6	0.0	0.0	4.6

Credit rating breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
AAA	9.7	0.0	0.0	8.8
AA	23.7	0.0	0.0	18.6
A	14.2	0.0	0.0	14.2
BBB	44.2	0.0	5.4	49.7
BB	3.7	0.0	0.5	4.2
B	0.0	0.0	0.0	0.0
CCC	0.0	0.0	0.0	0.0
CC	0.0	0.0	0.0	0.0
C	0.0	0.0	0.0	0.0
D	0.0	0.0	0.0	0.0
No rating	0.0	0.0	0.0	0.0
Cash	4.6	0.0	0.0	4.6

Country breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
US	60.6	0.0	0.6	56.1
UK	11.8	0.0	1.7	13.4
Germany	11.6	0.0	0.0	10.7
France	4.3	0.0	1.6	5.9
Luxembourg	1.6	0.0	0.0	1.6
Belgium	1.4	0.0	0.0	1.4
Mexico	0.0	0.0	1.1	1.1
Switzerland	0.0	0.0	1.0	1.0
Other	4.2	0.0	0.0	4.2
Cash	4.6	0.0	0.0	4.6

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

	Fund
kfW	4.3
New York Life Global Funding	3.3
Massmutual Global Funding II	2.5
Nationwide Building Society	2.2
Southern California Edison Company	2.1
Microsoft	2.1
Abbvie	2.1
SAN Diego Gas & Electric	1.9
Eurogrid GmbH	1.9
Deutsche Bahn Finance GmbH	1.8

Maturity breakdown (%)

	Physical
0 - 1 years	0.2
1 - 3 years	4.8
3 - 5 years	28.9
5 - 7 years	15.9
7 - 10 years	17.7
10 - 15 years	5.4
15+ years	22.5
Cash	4.6

Currency breakdown (%)

	Pre-hedge	Post-hedge
US dollar	67.8	100.0
Canadian dollar	0.0	0.1
Japanese yen	0.5	0.0
Australian dollar	0.0	0.0
Hong Kong dollar	0.0	0.0
Italian lira	0.0	0.0
Korean won	0.0	0.0
New Zealand dollar	0.0	0.0
Norwegian kroner	0.0	0.0
Singapore dollar	0.0	0.0
Swedish krona	0.0	0.0
Swiss franc	0.0	0.0
Euro	19.8	0.0
British pound	11.9	0.0

Industry breakdown (%)

	Physical	Short (via CDS)	Long (via CDS)	Net
Utility	15.0	0.0	0.0	15.0
Sovereign	12.3	0.0	0.0	6.3
Healthcare	7.5	0.0	0.0	7.5
Insurance	7.1	0.0	0.0	7.1
Consumer goods	6.3	0.0	0.0	6.3
Technology & electronics	6.0	0.0	0.0	6.0
Energy	5.9	0.0	0.0	5.9
Banking	5.1	0.0	3.2	8.3
Government Guaranteed	4.3	0.0	0.0	4.3
Retail	3.3	0.0	0.0	3.3
Media	3.2	0.0	0.0	3.2
Basic industry	3.1	0.0	0.0	3.1
Transportation	2.9	0.0	0.0	2.9
Covered Bonds	2.6	0.0	0.0	2.6
Capital goods	2.6	0.0	0.0	2.6
Automotive	1.8	0.0	0.0	1.8
Telecommunications	1.5	0.0	0.0	1.5
Real Estate	1.4	0.0	0.0	1.4
Financial services	1.0	0.0	2.7	3.7
Supranational	1.0	0.0	0.0	1.0
Mortgage backed	0.8	0.0	0.0	0.8
Leisure	0.5	0.0	0.0	0.5
Asset backed	0.4	0.0	0.0	0.4
Agency	0.0	0.0	0.0	0.0
Commercial Mortgage Backed	0.0	0.0	0.0	0.0
Local-Authority	0.0	0.0	0.0	0.0
Preferred security-Insurance	0.0	0.0	0.0	0.0
Services	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Cash	4.6	0.0	0.0	4.6

Duration by currency and asset class (years)

	Fund	Futures	Swaps	Net
Euro	1.5	-0.4	0.0	1.2
British pound	0.4	0.0	0.0	0.4
US dollar	5.4	-0.3	0.0	5.1
Other	0.0	0.2	0.0	0.2
Total	7.4	-0.5	0.0	6.8

Fund codes and charges

Share class	ISIN	Bloomberg	Currency	Share class launch date	Ongoing charge	Distribution yield	Underlying yield	Minimum initial investment	Minimum top up investment
USD A Acc	LU1670712956	MGCBUAA LX	USD	07/12/2018	1.21%*	-	-	\$1,000	\$75
USD A Inc	LU1670713095	MGCBUAD LX	USD	07/12/2018	1.21%*	1.21%	-	\$1,000	\$75
USD C Acc	LU1670713178	MGCBCA LX	USD	07/12/2018	0.71%*	-	0.49%	\$500,000	\$50,000
USD C Inc	LU1670713251	MGCBCUD LX	USD	07/12/2018	0.71%*	1.21%	0.49%	\$500,000	\$50,000
USD CI Acc	LU1797815732	MGBUCIA LX	USD	17/12/2018	0.67%*	-	0.53%	\$500,000	\$50,000

The above ongoing charge figure is an estimate of the charges because of a change to the charging structure with effect from 1st October 2020.

The ongoing charge figure may vary from year to year and excludes portfolio transaction costs. The audit fees and custody transaction charges are borne by M&G until the fund size increases to above 200 million euros. The fund's annual report for each financial year will include details on the exact charges made. Any ongoing charge figure with * indicates an estimate. The fund's annual report for each financial year will include details of the exact charges.

Please note that not all of the share classes listed above might be available in your country.

Please see the Important Information for Investors document and the relevant Key Investor Information Document for more information on the risks associated with this fund and which share classes are available for which product and which investor type.

ESG Integrated funds



Funds that integrate financially material ESG data into the risk management and decision-making process, as well as our company-wide exclusions (cluster munitions and anti-personnel mines). Some strategies may have some additional ESG exclusions.

Approach to responsible investment

	Yes	No	N/A
ESG integration	✓		
Additional ESG specifications		✓	
Exclusions	✓		
Cluster munitions & anti personnel landmines	✓		
Other exclusions or restrictions		✓	
Voting			✓
Engagement	✓		

Please see glossary for further explanation of these terms.

ESG Standard Glossary

Additional ESG specifications: In the context of M&G, these are funds managed with an explicit ESG objective, outcome or in accordance with specific ESG criteria, and will have a number of minimum exclusions in place.

Engagement: Interaction with company management on various financial and non-financial, including ESG, issues. Engagement allows investors to better understand how a company is undertaking its operations and how it is interacting with its stakeholders, as well as advising on and influencing company behaviour and disclosures where appropriate.

ESG integration: Describes the explicit and systematic inclusion of Environmental, Social and Governance factors in investment analysis and investment decisions. It underpins a responsible investment approach, and allows investors to

better manage risk and generate sustainable, long-term returns.

Exclusions: The exclusion or restriction of investments based on the sector in which they operate, the products or services they provide or for other specific criteria, i.e. they are deemed to be in breach of the United Nations Global Compact principles on human rights, labour the environment and anti-corruption.

Voting: As the partial owners of a company, shareholders have the right to vote on resolutions put forward at a company's annual general meeting. These resolutions include the re-election of directors, executive remuneration and business strategy, among others, and may include resolutions put forward by shareholders.

Important information

On 7 December 2018, the M&G Global Corporate Bond Fund, a UK-authorised OEIC, merged into the M&G (Lux) Global Corporate Bond Fund, a Luxembourg-authorised SICAV, which launched on 7 December 2018. The SICAV is run by the same fund manager, applying the same investment strategy, as the UK-authorised OEIC.

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

The Morningstar Overall Rating based on the fund's US Dollar Class A shares. Copyright © 2021 Morningstar UK Limited. All Rights Reserved. Ratings should not be taken as recommendation.

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