

October 2018



# Prospectus

## M&G (Lux) Investment Funds 1

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

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## IMPORTANT INFORMATION

**IMPORTANT: 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. The Directors 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. The Directors 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 Supplements (each a "**Supplement**"), each containing information relating to a separate Fund. The creation of new Funds requires the prior approval of the CSSF. If there are different classes of Shares representing a Fund, details relating to the separate classes may be dealt with in the same Supplement or in a separate Supplement for each class. The creation of further classes of Shares will be effected in accordance with the requirements of the CSSF. This Prospectus and the relevant Supplement should be read and construed as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Supplement) and the key investor information document (the "**KIID**"). 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 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 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, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors are advised to take advice on their rights.

Complaints concerning the operation or marketing of the Company may be referred to the Management Company. Complaints should be addressed to: M&G International Investments S.A., 16 boulevard Royal, L-2449 Luxembourg, Luxembourg or by telephone to: +352 2605 9944 or by email to: [csmandg@rbc.com](mailto:csmandg@rbc.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** - As at the date of this Prospectus, the Directors expect to apply to register and distribute the Shares of each Fund in certain non-EU / non-EEA jurisdictions.

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, by any US Person. The Company may compulsorily redeem all Shares held by any such person.

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 KIID may be obtained from the Registrar and Transfer Agent. A copy of the Prospectus and the latest KIID will also be available from: Société Générale Bank & Trust SA, Centre opérationnel, 28-32, place de la Gare, L-1616 Luxembourg.

## **Generally**

This Prospectus, any Supplements and the KIID 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, Supplements and the KIID. To the extent that there is any inconsistency between the English language Prospectus/ Supplements/ KIID and the Prospectus/ Supplements/ KIID in another language, the English language Prospectus/ Supplements/ KIID 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 KIID in a language other than English, the language of the Prospectus/ Supplement/ KIID 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

49 Avenue J.F. Kennedy  
L-1855 Luxembourg

### Board of Directors of the Company

- Laurence Mumford, chairman
- Gary Cotton
- Philip Jelfs
- Graham MacDowall
- Yves Wagner, independent director

### Management Company

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

### Board of Directors of the Management Company

- Raphael Jaggy, chairman
- Margaret Ammon
- Peter Baxter
- Chris Brierly
- Remi Kamiya
- Billyana Kuncheva
- Bronwyn Salvat-Winter

### Conducting Officers of the Management Company

- Raphael Jaggy - Finance & Central Services
- Remi Kamiya – Risk Management
- Billyana Kuncheva - Portfolio Management
- Laurence Mumford (interim) - Operations
- Bronwyn Salvat-Winter – Compliance

### Investment Manager

M&G Investment Management Limited  
5 Laurence Pountney Hill  
London EC4R 0HH  
United Kingdom

### Distributor

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

### Administrator and Domiciliary Agent

State Street Bank Luxembourg S.C.A.  
49 Avenue J.F. Kennedy  
L-1855 Luxembourg

### Depository

State Street Bank Luxembourg S.C.A.  
49 Avenue J.F. Kennedy  
L-1855 Luxembourg  
Luxembourg

### Registrar and Transfer Agent

RBC Investor Services Bank S.A  
(Luxembourg)  
14 Porte de France  
L-4360 Esch-sur-Alzette  
Luxembourg

### Auditor

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

### Legal Advisers

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

## CONTENTS

DEFINITIONS .....	4
THE COMPANY AND THE FUNDS .....	9
DIRECTORS.....	13
MANAGEMENT COMPANY .....	14
INVESTMENT MANAGER.....	16
REGISTRAR AND TRANSFER AGENT .....	17
DEPOSITARY.....	18
ADMINISTRATOR .....	21
DISTRIBUTOR.....	22
AUDITOR.....	23
HEDGING SERVICES .....	24
SUBSCRIPTIONS.....	25
REDEMPTIONS.....	29
SWITCHING BETWEEN FUNDS OR CLASSES .....	32
TRANSFERS .....	34
VALUATION .....	35
FEEs AND EXPENSES.....	39
TAXATION.....	44
RISK MANAGEMENT PROCESS.....	47
RISK FACTORS .....	48
CONFLICTS OF INTEREST .....	65
USE OF RESEARCH BY THE INVESTMENT MANAGER.....	66
GENERAL INFORMATION.....	67
1. SHAREHOLDER MEETINGS AND REPORTS TO SHAREHOLDERS .....	67
2. DISSOLUTION AND LIQUIDATION OF THE COMPANY .....	67
3. CLOSURE OF FUNDS AND CLASSES .....	68
4. MERGERS AND DIVISIONS.....	69
5. INDEMNITY.....	70
6. CHARGE AND SECURITY OVER THE ASSETS.....	71
7. ACCESS TO DOCUMENTS.....	71
8. EU BENCHMARK REGULATION.....	71
9. POLICIES.....	71
APPENDIX 1: INVESTMENT RESTRICTIONS AND POWERS.....	73
APPENDIX 2: SHARE CLASS DETAILS .....	92
APPENDIX 3: CALCULATION OF PERFORMANCE FEES.....	97

APPENDIX 4: FUND SUPPLEMENTS.....	102
1. M&G (LUX) ABSOLUTE RETURN BOND FUND .....	103
2. M&G (LUX) ASIAN FUND .....	106
3. M&G (LUX) CONSERVATIVE ALLOCATION FUND.....	108
4. M&G (LUX) DYNAMIC ALLOCATION FUND .....	111
5. M&G (LUX) EMERGING MARKETS BOND FUND .....	114
6. M&G (LUX) EMERGING MARKETS HARD CURRENCY BOND FUND .....	117
7. M&G (LUX) EMERGING MARKETS INCOME OPPORTUNITIES FUND .....	120
8. M&G (LUX) EPISODE MACRO FUND.....	123
9. M&G (LUX) EURO CORPORATE BOND FUND .....	126
10. M&G (LUX) EUROPEAN INFLATION LINKED CORPORATE BOND FUND .....	128
11. M&G (LUX) EUROPEAN STRATEGIC VALUE FUND .....	130
12. M&G (LUX) FLOATING RATE HIGH YIELD SOLUTION .....	132
13. M&G (LUX) GLOBAL CONVERTIBLES FUND .....	136
14. M&G (LUX) GLOBAL CORPORATE BOND FUND .....	139
15. M&G (LUX) GLOBAL DIVIDEND FUND.....	141
16. M&G (LUX) GLOBAL EMERGING MARKETS FUND .....	143
17. M&G (LUX) GLOBAL FLOATING RATE HIGH YIELD FUND.....	145
18. M&G (LUX) GLOBAL HIGH YIELD BOND FUND .....	148
19. M&G (LUX) GLOBAL HIGH YIELD BOND 2023 FUND.....	151
20. M&G (LUX) GLOBAL HIGH YIELD ESG BOND FUND .....	155
21. M&G (LUX) GLOBAL LISTED INFRASTRUCTURE FUND .....	158
22. M&G (LUX) GLOBAL MACRO BOND FUND .....	161
23. M&G (LUX) GLOBAL RECOVERY FUND.....	164
24. M&G (LUX) GLOBAL SELECT FUND.....	166
25. M&G (LUX) GLOBAL TARGET RETURN FUND.....	168
26. M&G (LUX) GLOBAL THEMES FUND .....	171
27. M&G (LUX) INCOME ALLOCATION FUND .....	173
28. M&G (LUX) JAPAN FUND .....	176
29. M&G (LUX) JAPAN SMALLER COMPANIES FUND.....	178
30. M&G (LUX) MULTI ASSET 2023 FUND.....	180
31. M&G (LUX) NORTH AMERICAN DIVIDEND FUND.....	183
32. M&G (LUX) NORTH AMERICAN VALUE FUND .....	185
33. M&G (LUX) OPTIMAL INCOME FUND .....	187
34. M&G (LUX) PAN EUROPEAN DIVIDEND FUND.....	190
35. M&G (LUX) PAN EUROPEAN SELECT FUND .....	192
36. M&G (LUX) PIR ALLOCATION FUND .....	194
37. M&G (LUX) POSITIVE IMPACT FUND.....	197
38. M&G (LUX) SHORT DATED CORPORATE BOND FUND.....	200
39. M&G (LUX) SUSTAINABLE ALLOCATION FUND.....	203

## DEFINITIONS

1933 Act	the United States Securities Act of 1933, as amended
1940 Act	the United States Securities Act of 1940, as amended
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 Luxembourg S.C.A.
Ancillary Liquid Assets	means: <ul style="list-style-type: none"> <li>▪ cash deposits; and</li> <li>▪ money market instruments, such as short term debt securities (i.e., debt securities with less than one year to maturity), treasury bills, commercial paper, certificates of deposit and bankers acceptances</li> </ul>
Articles	articles of incorporation of the Company
AUD	Australian Dollar
Auditor	Ernst & Young S.A.
Base Currency	the base currency of the Company is the Euro
Business Day	unless otherwise stated in a 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
CHF	Swiss Franc
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
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
CSSF	the Luxembourg <i>Commission de Surveillance du Secteur Financier</i> or its successor, being 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	those Classes where a currency hedging strategy is applied
Dealing Day	any Business Day, unless otherwise stated in a Supplement
Dealing Request Deadline	13.00 hours (Luxembourg time) on each Dealing Day or such other time as the Directors may determine
Depository	State Street Bank Luxembourg S.C.A.



Depository Agreement	the depository agreement dated 5 December 2016 pursuant to which the Depository is appointed to provide depository services to the Company
Directors	the members of the board of directors of the Company for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time
Distribution Shares	Shares in respect of which dividends may be distributed periodically to Shareholders
Distributor	M&G International Investments S.A.
ESMA	the European Securities and Markets Authority or its successor authority
ESMA Guidelines 2014/937	means 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
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
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
GBP	United Kingdom Pound Sterling
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
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	relevant performance fee benchmark applicable to the Fund
Ineligible Investor	<p>any person to whom a transfer of Shares (legally or beneficially) or by whom a holding of Shares (legally or beneficially) would or, in the opinion of the Directors, might:</p> <ul style="list-style-type: none"> <li>▪ 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</li> <li>▪ 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</li> <li>▪ 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</li> </ul>

Initial Offer Period	the period set by the Directors in relation to any Fund or Class of Shares as the period during which Shares are initially on offer and as specified in the relevant Supplement
Initial Offer Price	the initial price payable for a Share as specified in Appendix 2 of the Prospectus
Institutional Investor	within the meaning of Article 174 of the UCI Law as this concept is interpreted by the CSSF from time to time
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 depository of a collective investment scheme or on behalf of such a depository in connection with its role in holding property subject to the scheme
Investment Management Agreement	the investment management agreement dated 5 December 2016 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
IRS	the US Internal Revenue Service
JPY	Japanese Yen
KIID	Key Investor Information Document applicable to a Share Class
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 Subsequent Subscription	the minimum additional investment for each class of Shares as specified in Appendix 2 of the Prospectus
Minimum Holding	where applicable, the minimum holding for each class of Shares as specified in Appendix 2 of the Prospectus
Minimum Subscription	the minimum initial investment for each class of Shares as specified in Appendix 2 of the Prospectus
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
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
OTC Derivative	over-the-counter derivative: a derivative instrument entered into with an approved counterparty outside of an exchange
Performance Fee	where applicable, the performance fee which the Management Company may be entitled to receive from the Company in respect of a Fund, as further described in Appendix 3 to this Prospectus and the relevant Supplement
PRC	The People's Republic of China excluding, for the purpose herein, Hong Kong, Macau and Taiwan
Price per Share	unless otherwise defined in a 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 of this Prospectus entitled "Swing Pricing and Dilution Levy"
Prospectus	this prospectus, as may be amended or supplemented from time to time
Reference Currency	the currency of the relevant Fund
Registrar and Transfer Agent	RBC Investor Services Bank S.A.
Registrar and Transfer Agency Agreement	the registrar and transfer agency agreement dated 6 December 2016 pursuant to which the Registrar and Transfer Agent is appointed to provide certain registration and transfer agency services in respect of the Funds
Regulated Market	a regulated market according to MiFID. A list of EU regulated markets according to MiFID is regularly updated and published by ESMA
RMB	Renminbi, the official currency of the PRC Used as a reference to the Chinese currency traded in the onshore (CNY) Renminbi and the offshore (CNH) Renminbi markets (primarily in Hong Kong). All the references to RMB in the name of a Share Class should be understood to refer to offshore Renminbi (CNH).
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 of the relevant Class
Shareholder	a person registered as the holder of Shares on the Company's register of shareholders
Supplement	a supplement to this Prospectus specifying certain information in respect of a Fund and/or one or more Classes
Transferable Securities	<ul style="list-style-type: none"> <li>▪ Shares and other securities equivalent to shares ("shares");</li> <li>▪ Bonds and other debt instruments ("debt securities"); and</li> <li>▪ Any other negotiable securities that carry the right to acquire any such transferable securities by subscription or exchange, to the extent they do not qualify as Techniques and Instruments as described in Appendix 1 of this Prospectus</li> </ul>
UCI(s)	undertaking(s) for collective investment
UCI 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 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: <a href="https://www.unglobalcompact.org/">https://www.unglobalcompact.org/</a>
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: <a href="http://www.undp.org/content/undp/en/home/sustainable-development-goals.html">http://www.undp.org/content/undp/en/home/sustainable-development-goals.html</a>
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 1933 Act; 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 Supplement, any Business Day
ZAR	South African Rand

## 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.

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 a Supplement or 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 such Fund and as set out in the relevant 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 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 Supplement.

### **Profile of a Typical Investor**

The profile of a typical investor is set out in the relevant 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 Appendix 2 and the relevant 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: [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue).

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 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 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 Appendix 1.

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 Ancillary Liquid Assets.

## **Reports and Financial Statements**

The Company's annual accounting period will end on 31 March in each year. The first accounting period of the Company started upon incorporation of the Company and ended on 31 March 2017. The first annual report was published in relation to the financial period ending 31 March 2017.

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. Copies of the half-yearly report including the unaudited financial statements made up to 30 September in each year (the "Interim Accounting Date") 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. The first half-yearly report was published as of 30 September 2017.

Copies of the annual audited financial statements and half yearly reports are published on the website [www.mandg.lu/literature](http://www.mandg.lu/literature) 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 will be available from the following website: [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue).

The Directors reserve the right to introduce a distribution policy that may vary between Funds and different Classes of Shares in issue.

The distribution frequency of the Fund is indicated in each 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 Appendix 2 of this Prospectus.

Unless otherwise stated in the relevant 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 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 refer to the warning noted above concerning the impact of dividends paid out of capital.

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 from the following website [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue).

## **Income Equalisation**

Income equalisation arrangements may be operated at the Directors' discretion with a view to ensuring that the level of income accrued within a Fund and attributable to each Share Class is not affected by the issue, conversion or redemption of Shares during an accounting period or distribution period.

## **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 currently published at: [www.mandg.lu/SICAVprices](http://www.mandg.lu/SICAVprices).

## **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 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 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 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.



## **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, chairman
- Gary Cotton
- Philip Jelfs
- Graham MacDowall
- Yves Wagner, Independent Director

The Directors may appoint one or more committees, authorised delegates or agents to act on their behalf. For the avoidance of doubt, references to "Directors" may therefore include such committees, authorised delegates or agents, as applicable.

## MANAGEMENT COMPANY

The Company has appointed M&G Luxembourg S.A. pursuant to the Management Agreement to serve as its management company within the meaning of the UCI Law. The Management Company is responsible, subject to the overall supervision of the Directors, for the provision of investment management services, administrative services and marketing/distribution services to the Company.

The Management Company is a public limited company limited by shares incorporated in Luxembourg on 1 August 2012 under number B.170.483. The ultimate holding company of the Management Company is Prudential 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 one hundred and twenty five thousand Euro (EUR 125,000.).

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

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 Luxembourg S.C.A. and RBC Investor Services Bank S.A. to carry out certain administrative functions in respect of the Company.

The Management Company has appointed M&G International Investments S.A. as the Company's distributor (the "Distributor").

### 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 following website: <http://www.mandg.lu/remuneration> 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 Prudential 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. With the prior consent of the Company and the Management Company, the Investment Manager may delegate its investment management function for a particular Fund to a sub-investment manager, as specified in the relevant Supplement.

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.

## **REGISTRAR AND TRANSFER AGENT**

The Management Company has appointed RBC Investor Services Bank S.A. as Registrar and Transfer Agent of the Company.

RBC Investor Services Bank S.A. is registered in the Luxembourg Commercial and Companies register under number B 47 192 and was established in 1994 under the name "First European Transfer Agent". It holds a banking licence in accordance with the Luxembourg law of 5 April 1993 on the financial sector (as amended). The Registrar and Transfer Agent is a wholly-owned subsidiary of RBC Investor Services Limited, which is controlled by Royal Bank of Canada.

Under the Registrar and Transfer Agency Agreement, the Registrar and Transfer Agent is responsible for processing the issue, redemption and transfer of Shares as well as for the keeping of the register of Shareholders.

The Registrar and Transfer Agent will at all times comply with any obligations imposed by the applicable laws and regulations with respect to money laundering prevention and, in particular, with CSSF Regulation 12/02.

## DEPOSITARY

The Company has appointed State Street Bank Luxembourg S.C.A. as Depositary of the Company.

The Depositary is a *société en commandite par actions* organised under the laws of the Grand Duchy of Luxembourg. The Depositary is registered in the Luxembourg Commercial and Companies register under number B 32 771 and was established in 1990. It holds a banking licence in accordance with the Luxembourg law of 5 April 1993 on the financial sector (as amended).

### 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 may, subject to certain conditions, delegate the whole or any part of its safe-keeping duties to one or more third parties. The Depositary's liability to the Company 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 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 Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, 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 internet site: <http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html>

## 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 Depository's use of sub-custodians, the Depository 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 Depository further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits.

Finally, the Depository 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 Depository, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depository, 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 Depository shall not be liable for the contents of this Prospectus and will not be liable for any insufficient, misleading or unfair information contained herein.

The Depository Agreement may be terminated by either the Company or the Depository upon 6 months prior written notice. In that case, a new depository must be appointed within two months of the termination of the Depository Agreement, to carry out the duties and assume the responsibilities of the Depository, as outlined above.



## **ADMINISTRATOR**

The Management Company has appointed State Street Bank Luxembourg S.C.A. as the Administrator of the Company. The Administrator will carry out certain administrative duties related to the administration of the Company, including the calculation of the Net Asset Value of the Shares and the provision of accounting services to the Company.

The Company has appointed the Administrator as its domiciliary agent. The Administrator will be responsible for the domiciliation of the Company and will perform, inter alia, the functions as foreseen in the Luxembourg law of 31 May 1999 on the domiciliation of companies, as amended from time to time and, in particular, allow the Company to establish its registered office at the registered office of the Administrator and provide facilities necessary for the meetings of the Company's officers, Directors and/or of the Shareholders of the Company.

The Administrator is not responsible for the contents of this Prospectus (other than this section), for any investment decisions of the Company or the effect of such investment decisions on the performance of the Company.

The Administration Agreement contains provisions indemnifying the Administrator, and exempting the Administrator from liability, in certain circumstances.

Subject to the prior written consent of the Directors, the Management Company reserves the right to change the administration arrangements described above by agreement with the Administrator and/or in its discretion to appoint an alternative administrator without prior notice to Shareholders. Shareholders will be notified in due course of any appointment of an alternative administrator.

## **DISTRIBUTOR**

M&G International Investments S.A. is the distributor of Shares.

Under the terms of the Distribution Agreement, the Distributor has the power to appoint sub-distributors, subject to the consent of the Management Company.

The 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 Global Markets to undertake certain currency hedging functions in respect of the Currency Hedged Share Classes.

## **SUBSCRIPTIONS**

### **Initial Offer**

Shares in the Company may be subscribed for during the relevant Initial Offer Period or launch date at the Initial Offer Price as specified in the section entitled "Appendix 2: Share Class Details." The Directors may extend or shorten the 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 KIID 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 Supplement, Shares will be available for subscription at the Price per Share as of the relevant Valuation Day.

The Company may charge an initial charge on such a subscription for Shares as set out in "Fees and Expenses", and, if applicable, a dilution levy as set out in "Swing Pricing and Dilution Levy", as the case may be, and as specified in the relevant 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: RBC Investor Services Bank S.A (Luxembourg), 14 Porte de France, L-4360 Esch-sur-Alzette, Luxembourg.

Initial applications may be made by facsimile on +352 2460 9901 subject to the prompt receipt by the Registrar and Transfer Agent of the original signed application form and such other supporting documents (such as documentation in relation to money laundering prevention checks) as may be required.

Thereafter, Shareholders wishing to apply for additional Shares may apply for Shares by facsimile and these applications may be processed without a requirement to submit original documentation, although these applications may be subject to the relevant Shareholder providing such other supporting documents (such as documentation in relation to money laundering prevention checks) as may be required.

Amendments to a Shareholder's registration details and payment instructions will (subject to the Company's discretion) only be effected on receipt of original documentation with authorised signatures.

Applications for Shares during the Initial Offer Period should be completed and submitted so as to be received by the Registrar and Transfer Agent no later than the end of the Initial Offer Period. If the original application form is not received by these times, the application will be held over until the first Dealing Day

after the close of the Initial Offer Period and Shares will then be issued at the relevant Price per Share on that Dealing Day.

Thereafter, applicants for Shares, and Shareholders wishing to apply for additional Shares, must send their completed and signed application form by facsimile to the Registrar and Transfer Agent by the Dealing Request Deadline. Applications received after this deadline for any given Dealing Day shall be treated as received prior to the next Dealing Request Deadline. Cleared funds in the relevant currency of the relevant Class and for the full amount of the subscription monies (including any initial charge, if applicable) must be received by the Registrar and Transfer Agent within three Business Days ("**T+3**") following the relevant Dealing Day, unless otherwise specified in the relevant Supplement.

If subscribed Shares are not paid for, the Company may redeem the Shares issued, whilst retaining the right to claim the subscription fees, commission and any other costs that may have occurred and to be confirmed by the Directors. In this case the applicant may be required to reimburse the Company for any losses, costs or expenses incurred directly or indirectly as a result of the applicant's failure to make timely settlement, as conclusively determined by the Directors in its discretion. In computing such losses, costs or expenses account shall be taken, where appropriate, of any movement in the price of the Shares between allotment and cancellation or redemption and the costs incurred by the Company in taking proceedings against the applicant.

The Company reserves the right to reject any application in whole or part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of the applicant.

Shares may not be issued by the Company during any period in which the calculation of the Net Asset Value of the relevant Fund is suspended in accordance with the section headed "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 Administrator.

Unless otherwise agreed by the Directors, applications will be irrevocable.

Where specified in the relevant 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 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 Appendix 2 and may, in each case, be waived by 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 entitled: "Suspension of the Determination of the Net Asset Value". No Shares will be issued during any such period of suspension.

## **Anti-Money Laundering**

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the identity of an applicant for Shares and where applicable the beneficial owner, on a risk sensitive basis, as well as the monitoring of the relationship on an ongoing basis.

In the case of an applicant acting on behalf of a third party, the Registrar and Transfer Agent must verify the identity of the beneficial owner(s). Furthermore, any such applicant hereby undertakes that it will notify the Registrar and Transfer Agent prior to the occurrence of any change in the identity of any such beneficial owner.

In the event of delay or failure by the applicant to produce any information required for verification purposes, the Registrar and Transfer Agent may refuse to accept the application and the subscription monies relating thereto or may refuse to settle a redemption request until proper information has been provided. Investors should note specifically that where redemption proceeds are requested to be remitted to an account which is not in the name of the investor, the Registrar and Transfer Agent shall settle such redemption requests in exceptional circumstances only and reserves the right to request such information

as may be reasonably necessary in order to verify the identity of the investor and the owner of the account to which the redemption proceeds have been requested to be paid. The redemption proceeds will not be paid to a third party account unless exceptional circumstances exist and/or if the investor and/or owner of the account provides such information.

Each applicant for Shares will make such representations as may be required by the Directors in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on the HM Treasury Consolidated List (which includes sanctions targets listed by the HM Treasury, the EU and the United Nations (UN)) and the United States Department of Treasury's Office of Foreign Assets Control ("OFAC") website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.

### **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.



## 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 Supplement for the Fund in question.

### 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 policy set out in the section entitled: "Switching between Funds or Classes."

The Company may charge a redemption charge as set out in "Fees and Expenses" and, if applicable, a dilution levy as set out in "Swing Pricing and Dilution Levy", as the case may be, and as specified in the relevant Supplement.

The amount due will be transferred to the Shareholder's account of record form 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 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 entitled "Appendix 2: 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 entitled "Appendix 2: Share Class Details".

## **Suspension**

The Directors may declare a suspension of the redemption of Shares in certain circumstances as described in the section entitled: "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 or for the benefit of 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 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 or for the benefit of 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 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 section "Suspension of the Determination of the Net Asset Value", and subject to the provisions of the relevant Supplement, holders of Shares 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.

The Directors may at their absolute discretion reject any switch request in whole or in part.

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 Supplement for the relevant Funds. The fee will not exceed an amount equal to the aggregate of the then prevailing redemption charge (if any) in respect of Original Class and the initial charge (if any) in respect of the New Class and is payable to the Management Company.

A switch request, once given, is irrevocable save with the consent of the Directors (which may be withheld in their discretion) or in the event of a suspension of calculation of the Net Asset Value of the Company in respect of which the switch requests are made.

A switch of Shares of one Fund or Class for Shares of another Fund or Class will be treated as a redemption of Shares and a simultaneous purchase of Shares. A switching Shareholder may, therefore, realise a taxable gain or loss in connection with the switch under the laws of the country of the Shareholder's citizenship, residence or domicile.

The number of Shares of the New Class to be issued will be calculated in accordance with the following formula:

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

where

- S is the number of Shares of the New Class to be allotted.
- R is the number of Shares in the Original Class to be redeemed.
- P is the Price per Share of the Original Class as at the relevant Dealing Day.
- ER is the currency exchange factor (if any) as determined by the Administrator as representing the effective rate of exchange of settlement on the relevant Dealing Day applicable to the transfer of assets between the relevant Funds or Classes where the base currencies are different or, where the base currencies are the same, ER = 1.

- SP is the Price per Share of the New Class as at the relevant Dealing Day.

All terms and notices regarding the redemption of Shares shall equally apply to any switch of Shares. On a switch the accrued Performance Fee (if any) would crystallise.

**Please note that switches using the above procedure 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.**

## 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 (please refer to the section headed "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 broking charges, 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, 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.

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 the swing price adjustment will generally not exceed 2% of the Net Asset Value of the relevant Class or Fund, unless otherwise stated in the relevant Supplement.

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 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 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 currently published at: [www.mandg.lu/SICAVprices](http://www.mandg.lu/SICAVprices).

## 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.

Each Class of Shares in the Company has an "Ongoing Charges Figure" ("**OCF**"), and this is shown in the relevant KIID.

The OCF is intended to assist Shareholders to ascertain and understand the impact of charges on their investment each year and to compare the level of those charges with the level of charges in other funds.

The OCF excludes portfolio transaction costs and any initial charge or redemption charge, but will capture the effect of the various charges and expenses referred to below. Portfolio transaction costs include dealing spread, broker commissions, transfer taxes and stamp duty incurred by the Company on Fund transactions.

The annual and half yearly reports of the Company provide further information on portfolio transaction costs incurred in the relevant reporting period.

### Initial Charge

The Company is permitted to make an initial charge on the subscription of Shares by an investor.

Where applicable, the percentage rate of any initial charge will be disclosed in the relevant Fund Supplement.

The maximum amount for such initial charge will be 5.00% of the value of the relevant subscription.

Any initial charge will be passed to the Management Company or placement or other introducing agents.

### Redemption Charge

The Company is permitted to make a redemption charge on the redemption of Shares by a Shareholder. Where applicable, the current percentage rates of redemption charge will be shown in the relevant Supplement for each Fund. Any redemption charge will be 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 under the section of the Prospectus headed "The Company and the Funds - Prevention of Late Trading and Market Timing".

### Dilution Levy

Please refer to the above section entitled "Swing Pricing and Dilution Levy".

### Annual Management Charge

Unless otherwise specified in the relevant Supplement, the Management Company is permitted to take a charge from each Share Class of each Fund as payment for carrying out its duties and responsibilities. This is known as the Management Company's "Annual Management Charge" (sometimes abbreviated to "**AMC**").

The Annual Management Charge is based on a percentage of the Net Asset Value of each Share Class in each Fund. The annual rate of this charge is set out in the Supplement for each Fund.

Each day the Management Company charges 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 Management Company will take the charge 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.

Where a Fund invests in the units or shares of another fund managed by the Management Company, or by an associate of the Management Company, the Management Company will reduce its Annual Management Charge by the amount of any equivalent charge that has been taken on the underlying funds. Underlying

funds will also waive any initial or redemption charges which might otherwise apply. That way, the Management Company ensures that Shareholders are not charged twice.

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 (including the directors), 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.

## **Performance Fee**

The Management Company may be entitled to receive a Performance Fee from the Company 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.

The Performance fee rate and the Hurdle Rate are set out in the relevant Supplement for each Fund, where applicable.

Full details on how the Performance Fee is accrued and charged, and the definitions of the terms used herein appear under "Appendix 3: Calculation of Performance Fees".

## **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 (the "**Share Class Hedging Charge**").

The Share Class Hedging Charge is a variable rate which is not expected to exceed 0.06% (plus any value added tax if applicable). 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 and paid fortnightly on the same basis as described above for the 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.

## **Depositary's Fees**

Unless otherwise specified in the relevant 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 above for the 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 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 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.

## **Paying Agents' Fees**

Unless otherwise specified in the relevant Supplement, fees and expenses of any paying agent(s) appointed by the Company, which will be at normal commercial rates, shall be borne by the Management Company.

## **Administration Fees**

Unless otherwise specified in the relevant 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.

The Administration Charge is based on a percentage of the Net Asset Value of each Share Class in each Fund.

The annual rate of this charge is set out in the Supplement for each Fund (plus any value added tax if applicable).

The Administration Charge is calculated and taken into account daily and is paid fortnightly to the Management Company on the same basis as described above for the Annual Management Charge.

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.

## **Directors' Fees**

Unless otherwise specified in the relevant Supplement, the Management Company shall pay to each of the Directors an annual fee which is 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).

The Management Company shall pay such fees and expenses out of the Administration Charge (see above).

### **Service Provider Fees**

The Company, in respect of any Fund, may appoint alternative and/or additional service providers. Unless otherwise specified in the relevant Supplement, the fees payable to the relevant service provider shall be borne by the Management Company

### **Other Expenses**

Unless otherwise specified in the relevant 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;
- Broker's commission, taxes and duties 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); 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

### **Single Charge**

When provided for in the relevant Supplement, the Management Company may receive a single charge as specified and described in the relevant Supplement.

## **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 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 new 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.

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.

## 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.

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 invested in money market instruments and deposits with credit institutions whose weighted residual portfolio maturity does not exceed 90 days 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; (v) UCIs which securities are listed or traded and whose exclusive object is to replicate the performance of one or more indices.

#### 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.

## **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.

## 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.

Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares.

Prospective investors should consider, among others, the following 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.

- **Effect of Initial Charge**

Where an initial charge (if any) 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**

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**

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**

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.

Please refer to the risk factors headed "Currency Hedged Share Classes – no segregation of liabilities between share classes in a Fund" and "Currency Hedged Share Classes – Implication for Specific Share Class" below for further disclosure in relation to certain risks related to Shares being denominated in different currencies and assets of a Fund being denominated in a currency other than the Reference Currency of the relevant Fund.

- **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 the Fund may trade with market participants in order to build assets which will give rise to short term counterparty risk. Additionally the Fund may invest its assets in overnight deposits of credit institutions, money market funds, treasuries or other near cash securities (short term and easily tradable bonds). Such Ancillary Liquid Assets may be held for longer periods where, due to market circumstances, the fund believes that it is in its best interests to do so.

Should the fund trade OTC Derivatives (which includes forward foreign exchange) it must do so with approved OTC counterparties with appropriate legal documentation in place, namely ISDA agreements. The ISDA agreement also contains a Credit Support Annex (the "CSA"). If the Fund is subject to the European market infrastructure regulation (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 Fund. 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 fund may have a mixture of collateralised and uncollateralised risk.

- **Liquidity Risk**

The 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.

- **Suspension of Dealing in Shares**

Investors are reminded that in exceptional circumstances their right to sell or redeem Shares may be temporarily suspended.

- **Cancellation Risks**

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**

A change in the rate of inflation will affect the real value of your investment.

- **Taxation**

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 it invests. A risk exists that tax authorities in countries with which Luxembourg has double tax treaties, 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.

In specific treaties which contain 'limitation of benefits' provisions, the tax treatment of the Fund may be affected by the tax profiles of investors in the fund as such treaties may require the majority of investors in the fund to be from the same jurisdiction. Failing to meet the limitation of benefits provision may result in increased withholding tax being suffered by the Fund.

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**

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.

- **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.

## **Fund Specific Risks**

Please review 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.

- **Currency Risk on Unhedged Share Classes**

Currency exchange rate fluctuations will impact the value of an unhedged share classes where the currency of the share class differs from that of the valuation currency of the Fund.

- **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 non-investment grade bonds (rated lower than BBB- by Standard & Poor's or Fitch or lower than Baa3 by Moody's).

However, the ratings are subject to change and they 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**

The costs of using derivative instruments to implement a short position within a Fund, for example short positions in currency or Government bonds, may result in a zero or negative yield on the portfolio. In such circumstances the Fund may not make any distributions and any shortfall will be met from capital

- **Emerging Markets**

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.

- **Funds Investing In a Specific Asset Class, Region or Sector**

Funds investing mainly in a specific asset class, region or sector may be more volatile and carry a higher risk to capital than funds investing more broadly. This is because the former are more vulnerable to market sentiment specific to that asset class, region or sector.

- **Funds Investing In Smaller Companies**

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**

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.

- **Currency Hedged Share Classes - No Segregation of Liabilities between Share Classes in a Fund**

Gains or losses arising from currency Hedging Transactions are borne by the Shareholders of the respective Currency Hedged Share Classes.

Given that there is no segregation of liabilities between Share Classes, there is a risk that, under certain circumstances, the settlement of currency Hedging Transactions or the requirement for collateral (if such activity is collateralised) in relation to one Share Class could have an adverse impact on the net asset value of the other Share Classes in issue.

- **Currency Hedged Share Classes Implications for Specific Share Class**

The Investment Manager will undertake Hedging Transactions specifically to reduce the exposure of holders of Currency Hedged Share Classes to movements in the material currencies within a Fund's portfolio ("Look Through"), to movements in the material currencies within a Fund's portfolio to the extent of their weighting within the benchmark of the Fund ("Benchmark") or to movements in the relevant hedging reference currency of the Fund ("Replication"), as appropriate.

The currency hedging strategy employed will not completely eliminate the exposure of the Currency Hedged Share Classes to currency movements and no assurance can be given that the hedging objective will be achieved. Investors should be aware that the 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.

Notwithstanding the currency hedging of the Currency Hedged Share Classes described above, Shareholders in those Share Classes may still be exposed to an element of currency exchange rate risk.

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.

#### Hedging Methodology – 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 relevant hedging reference currency.

#### Hedging Methodology – Look Through

The Investment Manager undertakes Hedging Transactions specifically to reduce the exposure of the holders 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.

#### Hedging Methodology – 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.

- **Inflation Linked Funds**

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**

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**

Whilst the Articles provides for segregated liability between the Fund, 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**

Cash or money market instruments held in the Funds 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**

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.

- **Funds or Share Classes with Fixed Distributions**

If the income distributions you receive from the Fund or Share Class are 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**

Funds may be subject to a redemption charge as described in the relevant 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 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.

On 23 June 2016 the United Kingdom (the "**UK**") voted to leave the European Union (the "**EU**") in a referendum (the "**UK Referendum**"). At the date of this Prospectus both the terms and the timing of the UK's exit from the EU are unclear. Moreover, the nature of the relationship of the UK with the remaining Member States (the "**EU27**") has yet to be discussed and negotiations with the EU27 on the terms of the exit have yet to commence.

Following the UK Referendum, the EU has entered into a period of political uncertainty both as to the nature and timing of the negotiations with the UK and how relationships, strategy and direction within the EU27 may progress going forward. Such uncertainty could lead to a high degree of economic and market disruption and uncertainty. It is not possible to ascertain how long this period will last and the impact it will have within the EU markets, including market value and liquidity, for securities similar to the Securities in particular. Such conditions could have a material adverse effect on the business, financial condition, results of operations and prospects of the Issuer, the Investment Manager and other transaction parties. The Issuer cannot predict when political stability will return, or when the market conditions relating to securities similar to the Securities will stabilise.

#### ▪ **Investments in China**

Funds may invest, in accordance with the relevant Supplement, in China A Shares which have exposure to the Chinese market. The exposure may be obtained via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

Other than risks involved in investments in emerging markets, as well as other risks of investments generally, as described in this section, which are applicable to investments in China, investors should also note the additional PRC specific risks below.

#### PRC Political, Economic and Social Risks

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.

#### PRC Economic Risks

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.

#### Legal System of the PRC

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.

#### Accounting and Reporting Standards

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.

#### Currency Risks

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 early 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.

#### Risks linked with dealing in securities in China via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect

Some of the Funds may seek exposure to stocks issued by companies listed on Mainland China stock exchanges via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. The Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect are new trading programmes that link the stock markets in Shanghai or Shenzhen and Hong Kong and may be subject to additional risk factors. Investors in Hong Kong and Mainland China can trade and settle shares listed on the other market via the exchange and clearing house in their home market.

Under the Shanghai-Hong Kong Stock Connect (the "**Shanghai Connect**"), the Funds, through their Hong Kong brokers, may trade certain eligibility shares listed on the Shanghai Stock Exchange (the "**SSE**"). The scope of Shanghai Connect includes all constituent stocks of the SSE 180 Index and the SSE 380 Index and all China A Shares dual-listed on the SSE and the Stock Exchange of Hong Kong Limited (the "**SEHK**").

Under the Shenzhen-Hong Kong Stock Connect (the "**Shenzhen Connect**"), the Funds, through their Hong Kong brokers, may trade certain eligible shares listed on the Shenzhen Stock Exchange (the "**SZSE**"). The scope of Shenzhen Connect includes all constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index and all China A Shares dual-listed on the SZSE and SEHK.

Only certain China A Shares are eligible to be accessed through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. Such securities may lose their eligibility at any time and be recalled from the scope of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. When a stock is recalled from the scope of eligible stocks for trading via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the relevant Funds.

Furthermore, investor should note that market rules and disclosures requirements apply to companies issuing China A Shares, changes of such rules and requirements may affect share prices.

### *Trading restrictions*

Funds investing in China A Shares will be subject to restrictions on trading (including restriction on retention of proceeds) in China A Shares as a result of its interest in the China A Shares. Under the current Mainland China rules, once an investor holds up to 5% of the shares of a company listed on the SSE or the SZSE, the investor is required to disclose his interest within three working days and during which he cannot trade the shares of that company. The investor is also required to disclose any change in his shareholding and comply with related trading restrictions in accordance with the Mainland China rules.

### *Beneficial owner of the China A Shares*

The Funds trade SSE shares and SZSE shares through their brokers affiliated to the Funds sub-custodian who is SEHK exchange participants. These China A Shares will be held following settlement by brokers or custodians as clearing participants in accounts in the Hong Kong Central Clearing and Settlement System ("**CCASS**") maintained by the Hong Kong Securities and Clearing Corporation Limited ("**HKSCC**") as central securities depository in Hong Kong and nominee holder. HKSCC in turn holds the China A Shares of all its participants through a "single nominee omnibus securities account" in its name registered with China Securities Depository and Clearing Corporation Limited ("**ChinaClear**"), the central securities depository in Mainland China.

China A Share in which the Funds will invest will be held on behalf of the Funds by the HKSCC and the Funds should be considered as the beneficial owners of the China A Shares. The Funds are therefore eligible to exercise their rights through the nominee only. The law surrounding such rights and the concept of beneficial ownership are at their early stages in China and the mechanisms that beneficial owners may use to enforce their rights are untested and therefore pose uncertain risks.

Investors should note that according to existing Mainland China practices, the Funds as a beneficial owner of China A Shares traded via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect cannot appoint proxies to attend shareholders' meetings on its behalf.

In the event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that China A Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under Mainland China law. However, HKSCC will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in China A Shares in Mainland China.

The HKSCC is a wholly-owned subsidiary of the Hong Kong Exchanges and Clearing Limited and is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors. The China A Shares traded through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect are issued in scripless form, and investors will not hold any physical China A Shares. Although HKSCC does not claim proprietary interests in the China A Shares held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of China A Shares.

### Risk of ChinaClear Default

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.

### Risk of HKSCC Default

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.

### Risk of Volatility

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

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

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

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

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.

### Taxation of the Funds as a result from investments in China

#### *General*

By investing in China A Shares issued by tax residents in the PRC, a Fund may be subject to withholding and other taxes in the PRC, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties (the "**Arrangements**"). Such taxes may reduce the income from, and/or adversely affect the performance of such Fund.

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**")*

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.

#### *Withholding Tax ("**WHT**")*

Unless a specific exemption / reduction is applicable, the income from interests, dividends and other profit distributions of the Fund investing in China A Shares and sourced from the PRC is generally subject to PRC WHT. The general WHT rate applicable is 10%. Such WHT may reduce the income from, and/or adversely affect the performance of, such Funds investing in China A Shares.

#### *Capital Gains Tax*

There is a risk that the relevant PRC tax authority may impose a capital gain tax on unrealised and realised gains from dealings in PRC securities and bonds and this will have an impact on the net asset value of the Funds investing in China A Shares, as further described below.

#### *Value Added Tax*

Under the Arrangement, PRC value added tax is not currently applied to dividends or interest. This exemption is temporary and there is no assurance that the PRC government will maintain such exemption and that may affect the performance of the Funds investing in the PRC.

#### *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% on the transferor).

### *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.

## **Derivatives**

### ▪ **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, leveraged loans, 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 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.



- **Derivatives – Counterparty**

Certain derivative types may require the establishment of a long term exposure to a single counterparty which increases the risk of counterparty default or insolvency. While these positions are collateralised, there is a residual risk between both the mark to market and the receipt of the corresponding collateral as well as between the final settlement of the contract and the return of any collateral amount, this risk is referred to as daylight risk. In certain circumstances, the physical collateral returned may differ from the original collateral posted. This may impact the future returns of the Fund.

- **Derivatives – Delivery**

The Fund's ability to settle derivative contracts on their maturity may be affected by the level of liquidity in the underlying asset. In such circumstances, there is a risk of loss to the Fund.

- **Derivatives – Legal Risk**

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 – 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**

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**

Convertible bonds issued by companies that give the bondholder the option to trade in the bond for shares in the company (the "**Convertible Bond**").

Convertibles 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 convertibles may fail to meet payment obligations and their credit ratings may be downgraded. Convertibles may also be less liquid than the underlying company shares.

## **Contingent Convertible Debt Securities**

Contingent convertible debt securities (the "**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 risks**

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 Risks**

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 Risks**

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**

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 "**Asset-Backed Securities**").

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**

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**

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 below.

### **Securities Lending and Repurchase Contracts**

Securities lending and repurchase contracts involve a number of risks, including many of those with respect to derivative instruments (above) and collateral (below).

In addition, the following additional risks may be relevant:

Securities lent under securities lending transactions may be returned late by the borrower or not at all as a result of the borrower's default or administrative or operational error. This might mean that the Fund is unable to meet its obligation to complete the sale of the relevant security, causing it to breach its contractual obligations to a third party purchaser. If the borrower of a security defaults, to the extent that the value of the collateral held by the Fund at the relevant time is less than the value of the securities lent by the Fund, the Fund will be an unsecured creditor for the difference and may not recover in full or at all.

Repurchase transactions involve the risk that the face value of the cash received by the Fund falls below the market value of the securities sold under the transaction. While the Fund should generally have a right to call for additional collateral, if a counterparty defaults (e.g. becomes insolvent or breaches the contract), and the value of the collateral is less than the value of the securities sold, the Fund will be an unsecured creditor for the difference and may not recover in full or at all.

Reverse repurchase contracts involve the risk that the market value of the securities bought by the Fund falls below the face value of the cash it pays for them. While the Fund should generally have a right to call for additional collateral, if a counterparty defaults (e.g. becomes insolvent or breaches the contract), and the value of the collateral is less than the value of the cash paid, the Fund will be an unsecured creditor for the difference and may not recover in full or at all.

**The Company does not currently engage in Securities Lending and Repurchase Contracts and this Prospectus will be amended before it may do so.**

### **Collateral**

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.

## CONFLICTS OF INTEREST

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 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.

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.

## USE OF RESEARCH BY THE INVESTMENT MANAGER

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.

### 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.

## GENERAL INFORMATION

### 1. 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 website [www.mandg.lu/literature](http://www.mandg.lu/literature).

The annual accounting period of the Company commences on 1 April of each year and ends on 31 March of each year. The first accounting period of the Company started on the launch date of the Company and ended on 31 March 2017. 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 first audited report was published as of 31 March 2017. A first half-yearly report was published as of 30 September 2017.

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.

### 2. 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.

### **3. Closure of Funds and Classes**

#### **3.1 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.

#### **3.2 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.

#### **3.3 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.

## 4. Mergers and divisions

### 4.1 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.

## **4.2 Divisions**

In the event:

- that the Directors determine that the division of a Fund is in the best interests of the Shareholders of the relevant Fund; and/or
- a change in the political, economic or monetary situation relating to the relevant Fund,

that Fund may be reorganised, by means of a division into two or more Funds.

The Company shall give notice to the Shareholders of the relevant Fund one month prior to the date on which such division is to become effective, which will indicate the reasons for and the procedure of such division.

Subject to the discretion of the Directors (acting in the best interests of the Shareholders) to determine otherwise, the Shareholders of the relevant Fund will be entitled to request the redemption or switch of their Shares without the payment of any applicable redemption charge (but taking into account actual redemption prices of investments and realisation expenses) prior to the effective date of the division.

Notwithstanding the powers conferred to the Directors as described in the previous paragraph, the general meeting of Shareholders of any Fund may, upon a proposal from the Directors, approve the division of the relevant Fund into two or more Funds. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

In the same circumstances as described above for a merger, the Directors are entitled to reorganise Share Classes by changing their characteristics, so as to divide a Share Class into two or more different Share Classes of the same Fund. The Company shall give notice to the Shareholders of the relevant Share Class or Classes one month prior to the date on which such reorganisation is to become effective, which will indicate the reasons for and the procedure of such reorganisation. Subject to the discretion of the Directors (acting in the best interests of the Shareholders) to determine otherwise, the Shareholders of the relevant Share Class or Classes will be entitled to request redemption or conversion of their Shares without the payment of any applicable redemption charge (but taking into account actual redemption prices of investments and realisation expenses) prior to the effective date of the reorganisation.

Notwithstanding the powers conferred to the Directors as described in the previous paragraph, the general meeting of Shareholders of any Share Class may, upon a proposal from the Directors, decide to reorganise Share Classes by changing their characteristics, so as to divide a Share Class into two or more different Share Classes of the same Fund. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

## **5. 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:

1. 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
2. For any loss on account of defect of title to any property of the Company; or
3. On account of the insufficiency of any security in or upon which any money of the Company shall be invested; or
4. For any loss incurred through any bank, broker or other agent; or

5. 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.

## 6. 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.

## 7. 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:

1. Articles and any amendments thereto
2. Latest Prospectus  
Latest KIIDs
3. 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.

## 8. EU Benchmark Regulation

Regulation (EU) 2016/1011 (also known as the "**EU 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 EU Benchmark Regulation) materially changes or ceases to be provided. The Management Company shall 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 3-month LIBOR is used as a benchmark in the performance fee calculation for the M&G (Lux) Episode Macro Fund. It is provided by ICE Benchmark Administration Limited which has been authorised as a benchmark administrator under article 34 of the EU Benchmark Regulation and included in the ESMA register of benchmark administrators.

### M&G (Lux) Floating Rate High Yield Solution

The composite index consists of 2/3rds CDX.NA.HY Index on the run contract, 1/3 iTraxx Crossover Index on the run contract. It is used for asset allocation for M&G (Lux) Floating Rate High Yield Solution. It is provided by IHS Markit Benchmark Administrator Limited ("**Markit**") which has been authorised as a benchmark administrator under article 34 of the EU Benchmark Regulation and included in the ESMA register of benchmark administrators.

With the exception of the two Funds listed above, all performance comparators disclosed in section "Appendix 4: Fund Supplements" are only provided as a point of reference against which the performance of the Fund may be measured.

Shareholders should note these performance comparators shown for performance comparison purposes only may change over time and that the prospectus will be updated accordingly.

For equity and multi-asset sub-fund performance comparators, indices suffixed with "Net Return", "Net TR" or "Net Tax" are net return indices which include dividends after the deduction of withholding taxes.

## 9. 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.

## APPENDIX 1: 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 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<sup>1</sup>, 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 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 Definitions section of this Prospectus, to the extent that the issuer 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, an 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.

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<sup>1</sup> 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 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 the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Fund.

- 2.7. The securities specified under 2.5 and 2.6 above are not to be included for purposes of computing the ceiling of 40% set forth above under 2.3(B) above.
- 2.8. Notwithstanding the ceilings set forth above, each Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU, by its local authorities, by any other Member State of the OECD such as the US, by certain non-Member States of the OECD (currently Brazil, Indonesia, India, Russia and South Africa) or by a public international body of which one or more Member State(s) of the EU are member(s) (collectively, "Public Issuers"), provided that (i) such securities are part of at least six different issues and (ii) the securities from any or such issue do not account for more than 30% of the net assets of such Fund.
- 2.9. When investing in derivative instruments on Transferable Securities or Money Market Instruments issued or guaranteed by Public Issuers, the diversification requirements set out in the preceding paragraph do not need to be complied with, provided however that any direct investments in the relevant Transferable Securities or Money Market Instruments together with any investments in derivative instruments on such Transferable Securities or Money Market Instruments do not represent, on an aggregate basis, more than 100% of the relevant Fund's net assets.
- 2.10. Without prejudice to the limits set forth hereunder under 2.22 and 2.23 below, the limits set forth in 2.3 above are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:
  - A. The composition of the index is sufficiently diversified;
  - B. The index represents an adequate benchmark for the market to which it refers; and
  - C. It is published in an appropriate manner.

The limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain Transferable Securities or Money Market Instruments are highly dominant, provided that any investment up to this 35% limit is only permitted for a single issuer.

### **Bank Deposits**

- 2.11. A Fund may not invest more than 20% of its net assets in deposits made with the same body.

### **Derivative Instruments**

- 2.12. The risk exposure to a counterparty in OTC Derivatives and efficient portfolio management techniques (as described below) may not exceed 10% of the Fund's net assets when the counterparty is a credit institution referred to in 1.6 above or 5% of its net assets in other cases.
- 2.13. Investment in derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set out in this section. When the Fund invests in index-based derivative instruments, these investments do not have to be combined with the limits set out above.
- 2.14. When a Transferable Security or Money Market Instrument embeds a derivative instrument, the latter must be taken into account when complying with the requirements of 1.7 above as well as with the risk exposure and information requirements laid down in the present Prospectus.

Any returns or losses generated by OTC Derivatives will be for the account of the Fund, subject to the terms agreed with the relevant counterparty or broker which may provide for deductions for taxes and any fees, costs and expenses of the counterparty or broker, any custodian or third parties securities lending agent, which parties may be affiliated with the Management Company and/or the Investment Manager to the extent permitted under applicable laws and regulations. Where a Fund uses OTC Derivatives, these may include Total Return Swaps.

- 2.15. Subject to the Fund's Investment Objective and Investment Policy and subject to this section "Investment Restrictions and Powers", Total Return Swaps may be used by a Fund to gain exposure on a total return basis to any asset that the Fund is otherwise permitted to gain exposure to, including



transferable securities, approved money-market instruments, collective investment scheme units, derivative instruments, financial indices, foreign exchange rates and currencies.

### Units of Open-Ended Funds

- 2.16. Unless otherwise provided in a Fund's Supplement, a Fund may not invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs. If a Fund is authorised to invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs, the investment in the units of a single other UCITS or a single other UCI may however not exceed 20% of the relevant Fund's net assets. For the purpose of the application of this investment limit, each portfolio of a UCITS or other UCI with multiple portfolios within the meaning of article 181 of the UCI Law is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various portfolios vis-à-vis third parties is ensured.
- 2.17. When a Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Fund's investment in the units of such other UCITS and/or other UCIs.
- 2.18. A Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs 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 Fund itself and to the other UCITS and/or other UCIs 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 UCITS and/or other UCIs in which it invests.
- 2.19. Notwithstanding the above restrictions, a Fund (the "**Investing Fund**") may subscribe and/or hold units issued by one or more other Funds (each a "**Second Fund**"), provided that:
  - A. The Second Fund does not, in turn, invest in or hold units in the Investing Fund; and
  - B. No more than 10% of the assets of the Second Fund may (according to its investment policy) be invested in units of other UCITS or UCIs; and
  - C. The Investing Fund may not invest more than 20% of its Net Asset Value in units of a single Second Fund; and
  - D. Voting rights, if any, attaching to the units of the Second Fund are suspended for as long as they are held by the Investing Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
  - E. For as long as these units are held by the Investing Fund, their value will not be taken into account for the calculation of the Net Asset Value of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law; and
  - F. There is no duplication of management, subscription or redemption fees between those at the level of the Investing Fund and those at the level of the Second Fund.

### Master-Feeder Structure

- 2.20. Each Fund may act as a feeder fund (the "**Feeder**") of a master fund. In such case, the relevant Fund shall invest at least 85% of its assets in shares/units of another UCITS or of a sub-fund of such UCITS (the "**Master**"), which is not itself a Feeder nor holds units/shares of a Feeder. The Fund, as Feeder, may not invest more than 15% of its assets in one or more of the following:
  - A. Ancillary Liquid Assets in accordance with Article 41 second indent of second paragraph of the UCI Law;
  - B. Derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 first indent, point g) and Article 42 second and third indents of the UCI Law;
  - C. Movable and immovable property which is essential for the direct pursuit of the Company's business.

- 2.21. When a Fund invests in the shares/units of a Master which is managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Fund's investment in the shares/units of the Master.
- 2.22. A Feeder Fund that invests into a Master shall disclose in the relevant Fund's part of this Prospectus the maximum level of the management fees that may be charged both to the Feeder Fund itself and to the Master in which it intends to invest. In its annual report, the Company shall indicate the maximum proportion of management fees charged both to the Fund itself and to the Master. The Master shall not charge subscription or redemption fees for the investment of the Feeder into its shares/units or the disinvestment thereof.

### **Combined Limits**

- 2.23. Notwithstanding the individual limits laid down in 2.3, 2.10 and 2.11 above, a Fund shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following:
- A. Investments in Transferable Securities or Money Market Instruments issued by that body;
  - B. Deposits made with that body; and/or
  - C. Exposures arising from OTC Derivatives undertaken with that body and securities financing transactions and efficient portfolio management techniques.
- 2.24. The limits set out in 2.3, 2.5, 2.6, 2.10, 2.11 and 2.20 above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with 2.3, 2.5, 2.6, 2.10, 2.11 and 2.20 above may not exceed a total of 35% of the net assets of each Fund.
- 2.25. The Company may not acquire such amount of shares carrying voting rights which would enable the Company to exercise legal or management control or to exercise a significant influence over the management of the issuer.
- 2.26. The Company may acquire no more than (i) 10% of the outstanding non-voting shares of the same issuer; (ii) 10% of the outstanding debt securities of the same issuer; (iii) 10% of the Money Market Instruments of any single issuer; or (iv) 25% of the outstanding shares or units of the same UCITS or other UCI.

The limits set forth in (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

- 2.27. The limits set forth above under 2.22 and 2.23 do not apply in respect of:
- A. Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
  - B. Transferable Securities and Money Market Instruments issued or guaranteed by any Non-Member State;
  - C. Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);
  - D. Shares in the capital of a company which is incorporated under or organised pursuant to the laws of a state which is not a Member State provided that (i) such company invests its assets principally in securities issued by issuers having their registered office in that state, (ii) pursuant to the laws of that State a participation by the relevant Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that state, and (iii) such company observes in its investments policy the restrictions set forth under 2.3, 2.7, 2.10, 2.11 and 2.14 to 2.23; or
  - E. Shares held by one or more Funds in the capital of subsidiary companies which carry on the business of management, advice or marketing in the country where the subsidiary is

established, in regard to the redemption of shares at the request of Shareholders exclusively on its or their behalf.

### 3. Global Exposure

The global exposure relating to financial derivative instruments may be calculated through the commitment approach or VaR methodology.

#### 3.1. Commitment Approach

Unless otherwise disclosed in the relevant 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 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 level of leverage which is stated in the relevant 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 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 level from time to time, however the use of derivatives 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 Supplement does not necessarily indicate increased levels of risk within the relevant Fund. In addition, the ratio disclosed in the 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.

When VaR is used, it is calculated using the absolute approach, "Absolute VaR" is the VaR (*i.e.* the maximum potential loss at a given confidence level" over a specific period) expressed as a percentage of the Net Asset Value of a Fund which must not exceed an absolute limit of 20%.

When a Fund invests in index-based derivative instruments, these investments do not have to be combined to the limits laid down in Appendix 1 of this Prospectus.

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.

If such ceilings are exceeded for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, such Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its shareholders.

### 4.7. Investment Restrictions Applying to Cluster Ammunitions

On 1 August 2010, the Oslo Convention on Cluster Munitions, which was implemented into Luxembourg regulation by a law dated 4 June 2009, entered into force.

The Management Company will take steps to ensure that the Company will not invest in securities issued by companies that have been identified by independent third party providers as being involved in the manufacture, production or supply of cluster munitions.

Further details on the policy adopted to comply with the abovementioned Luxembourg law are available from the Management Company on request.

- 4.8. 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 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 (the "**Spot and Forward Contracts**");
- 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 (the "**Exchange Traded Futures**");
- 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 (the "**Swaps**");

- Credit default swaps are agreements which exchange the credit risk between parties (the "**Credit Default Swaps**"). 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;
- 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 (the "**Interest Rate Swaps**");
- 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 (the "**Currency Swaps**");
- 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 (the "**Credit Linked Notes**");
- 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 (the "**Options**").

A total return swap is 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 Swap**"). 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, under section 6.4 headed "Transparency of securities financing transactions and of reuse (SFTR)".

## 6. Efficient Portfolio Management Techniques and Instruments

### 6.1. General

When specified in the relevant 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 Supplement.

#### 6.1.1. 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 contact' 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:

- 6.1.1.1. 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.
- 6.1.1.2. 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.
- 6.1.1.3. 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.**

### **6.1.2. Securities Lending**

The Company may engage in securities lending transactions either directly or through a standardised lending system organised by a recognised clearing institution or by a financial institution specialising in this type of transaction and subject to prudential supervision rules which are considered by the CSSF as equivalent to those provided by EU law, in exchange for a securities lending fee.

A securities lending transaction is similar to a repurchase contract. The lender transfers ownership of an asset to a third party (the borrower), who pays a fee to the lender for the use of the loaned asset and agrees to return the securities at the end of the transaction. Even though the parties are called lender and borrower, actual ownership of the assets is transferred. A Fund may act as lender or borrower under a stock lending transaction. The types of assets that can be subject to a securities lending transaction are securities (both bonds and shares).

A Fund that enters into a securities lending agreement must ensure that it is able at any time to terminate the agreement or recall the securities that have been lent out.

**The Company does not currently engage in securities lending transactions and this Prospectus will be amended before it may do so.**

### **6.1.3. Transparency of Securities Financing Transactions and of Reuse (SFTR)**

#### **General Description of Total Return Swaps and the Rationale of their Use**

In order to achieve an optimum return from capital invested, while reducing investment risk through diversification, the Company may enter into Total Return Swaps only. In accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse (the "SFTR"), this Prospectus contains a general description of the Total Return Swaps used and more details may be found under each 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 achieve their investment objectives.

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.

#### ▪ M&G (Lux) Global Target Return Fund

The Fund may enter into Total Return Swaps on equity indices, equity sectors or baskets, bond baskets and government bonds.

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 and equity indices (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 stocks	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
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

#### ▪ M&G (Lux) Absolute Return Bond Fund

The Fund may enter into Total Return Swaps on single-name bonds, bond indices, baskets of bonds and government 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 Fund could also use Total Return Swaps to gain exposure to single-name bonds or bond indices, baskets of bonds and government bonds. The use of Total Return Swaps is then 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

#### ▪ M&G (Lux) Income Allocation Fund

The Fund may enter into Total Return Swaps on equity indices, equity sectors or baskets, bond baskets and government bonds.

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 and equity indices (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 stocks	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
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

▪ **M&G (Lux) Conservative Allocation Fund**

The Fund may enter into Total Return Swaps on equity indices, equity sectors or baskets, bond baskets and government bonds.

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 and equity indices (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 stocks	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
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

▪ **M&G (Lux) Dynamic Allocation Fund**

The Fund may enter into Total Return Swaps on equity indices, equity sectors or baskets, bond baskets and government bonds.

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 and equity indices (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 stocks	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



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

- **M&G Global Macro Bond Fund**

The Fund may enter into Total Return Swaps on bond indices, leveraged loan indices and baskets 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 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	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

- **M&G (Lux) Episode Macro Fund**

The Fund may enter into Total Return Swaps on equity indices, equity sectors or baskets, bond baskets and government bonds.

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 and equity indices (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 stocks	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
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

- **M&G (Lux) Floating Rate High Yield Solution**

The Fund may enter into Total Return Swaps on bond indices, leveraged loan indices and baskets 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 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	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

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

The Fund may enter into Total Return Swaps on bond indices, leveraged loan indices and baskets 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 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	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

▪ **M&G (Lux) Optimal Income Fund**

The Fund may enter into Total Return Swaps on bond indices, leveraged loan indices and baskets 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 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	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

▪ **M&G (Lux) Global High Yield Bond Fund**

The Fund may enter into Total Return Swaps on bond indices, leveraged loan indices and baskets 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 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	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

▪ **M&G (Lux) Sustainable Allocation Fund**

The Fund may enter into Total Return Swaps on equity indices, equity sectors or baskets, bond baskets and government bonds.

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 and equity indices (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 stocks	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
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

**Data To Be Reported for Each Type**

All the assets of M&G (Lux) Global Target Return Fund, M&G (Lux) Absolute Return Bond Fund, M&G (Lux) Income Allocation Fund, M&G (Lux) Conservative Allocation Fund, M&G (Lux) Dynamic Allocation Fund, M&G (Lux) Global Macro Bond Fund, M&G (Lux) Global Floating Rate High Yield Fund, M&G (Lux) Optimal Income Fund, M&G (Lux) Global High Yield Bond Fund and M&G (Lux) Sustainable Allocation Fund may be subject to Total Return Swaps under the following proportions:

	Maximum proportion of Net Asset Value	Expected proportion of Net Asset Value
Total Return Swaps	50%	25%

All the assets of M&G (Lux) Floating Rate High Yield Solution may be subject to Total Return Swaps under the following proportions:

	Maximum proportion of Net Asset Value	Expected proportion of Net Asset Value
Total Return Swaps	50%	10%

## Counterparties

Counterparty	Country of Incorporation	Legal form	Minimum Rating acceptable
Australia and New Zealand Banking Group Limited A.B.N.	Australia	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Barclays Bank Plc	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
BNP Paribas	France	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Citigroup Global Markets Limited	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Credit Agricole Corporate & Investment Bank	France	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Credit Suisse AG (London Branch)	Switzerland	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Credit Suisse International	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Credit Suisse Securities (Europe) Limited	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Deutsche Bank AG	Germany	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Goldman Sachs International	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
HSBC Bank Plc	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
ING Bank NV	Netherlands	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
JP Morgan Securities Plc	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Lloyds Bank Plc	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Merrill Lynch International	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Morgan Stanley & Co International Plc	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-

National Australia Bank Limited	Australia	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Royal Bank of Canada	Canada	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Societe Generale	France	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
Standard Chartered Bank	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
State Street Bank & Trust Company	US	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
The Royal Bank of Scotland PLC	UK	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-
UBS AG	Switzerland	Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or with Regulation (EU) No 1024/2013	BBB-

With respect to the counterparty, the Total Return Swaps will be unfunded as the notional value of the Total Return Swap is not exchanged with the counterparty at initiation.

### Acceptable collateral

Accepted collateral	Type of assets	Issuer	Maturity	Liquidity <sup>2</sup>	Collateral diversification	Correlation policies
Government bonds	Bonds	National governments of countries in the EEA, the United States or the United Kingdom	0-20+ years	Haircut of 0%-5% will be applied.	National governments of countries in the EEA, the United States or the United Kingdom	Not applicable
Supra-national bonds	Bonds	International organisations, often multinational or quasi-government organisations, with a purpose of promoting economic development	0-20+ years	Haircut of 0%-5% will be applied.	International organisations, often multinational or quasi-government organisations, with a purpose of promoting economic development	Not applicable
Corporate bonds	Bonds	Corporation which are rated above investment grade by a recognised rating agency (that is, rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's)	0-20 years	Haircut of 3%-15% will be applied.	Corporations which are rated above investment grade by a recognised rating agency (that is, rated BBB- or above by Standard & Poor's or Fitch or Baa3 or above by Moody's)	Bonds of the same issuer as the counterparty or the Management Company or Investment Manager, or related securities, are not acceptable.
Cash	Cash	GBP, Euro or US Dollar	Not applicable	Generally the most liquid and haircuts not normally applied.	GBP, Euro or US Dollar	Not applicable

<sup>2</sup> 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**

The assets subject to Total Return Swaps and collateral received are safe-kept with the Depository or third party depository with which the Depository has entered into an agreement to secure its depository obligations, as appropriate.

### **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.

### **6.1.4. 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 Depository 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 Depository or the Investment Manager, if applicable, will be made available in the annual report.

All revenues arising from efficient portfolio management techniques (including securities financing transactions), not of direct and indirect operational costs and fees, will be returned to the Fund.

### **6.1.5. Collateral policy for OTC Derivatives and for efficient portfolio management techniques (including securities financing transactions)**

Risk exposure to a counterparty to OTC Derivatives and/or efficient portfolio management techniques (including securities financing transactions) will take into account collateral provided by the counterparty in the form of assets eligible as collateral under applicable laws and regulations, as summarised in this section. All assets received by the Company on behalf of a Fund in the context of efficient portfolio management techniques (including securities financing transactions) are considered as collateral for the purpose of this section.

Where the Company on behalf of a Fund enters into OTC Derivatives and/or efficient portfolio management techniques (including securities financing transactions), all collateral received by the Fund must comply with the criteria listed in ESMA Guidelines 2014/937 in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability.

The maximum exposure of a Fund to any given issuer included in the basket of collateral received is limited to 20% of the Net Asset Value of the Fund. Reinvested cash collateral will be diversified in accordance with this requirement.

Permitted types of collateral include cash, government bonds and corporate bonds to the extent that collateral used is in line with the criteria listed under Article 43 of the ESMA Guidelines 2014/937.

In respect of any Fund which has entered into OTC Derivatives and/or efficient portfolio management techniques, investors (including securities financing transactions) in such Fund may obtain free of charge, on request, a copy of the report detailing the composition of the collateral at any time.

The Company will determine the required level of collateral for OTC Derivatives and efficient portfolio management techniques (including securities financing transactions) by reference to the applicable

counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Company for each asset class based on its haircut policy. Generally, securities collateral will be valued at bid price on a daily basis because this is the price that would be obtained if the Fund were to sell the securities following a counterparty default. However, mid-market prices may be used where this is the market practice for the relevant transaction. Subject to any minimum transfer amount and/or unsecured threshold amount (below which collateral is not provided), where required, variation margin is generally transferred on a daily basis in respect of any net exposure between a Fund and its counterparty.

Where there is a title transfer, collateral received will be held by the Depositary (or a sub-custodian thereof) on behalf of the Company. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Non-cash collateral received cannot be sold, reinvested or pledged.

Cash collateral received can only be:

- Placed on deposit with eligible credit institutions;
- Invested in high-quality government bonds;
- Used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis; or
- Invested in eligible short-term money market funds.

A Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Fund to the counterparty at the conclusion of the transaction. The Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Fund.

The above provisions apply subject to any further guidelines issued from time to time by ESMA amending and/or supplementing ESMA Guidelines 2014/937 and/or any additional guidance issued from time to time by the CSSF in relation to the above.

## APPENDIX 2: SHARE CLASS DETAILS

The information contained in this Appendix 2 should be read in conjunction with the full text of this Prospectus and relevant Supplement(s).

Currently, shares including the designation "Class A", "Class B", "Class C" or "Class CI", "Class E", "Class G", "Class L", "Class LI", "Class K", "Class P", "Class S", "Class T", "Class TI" or "Class Z", are available for issue.

Each Share Class, where available, may also have different distribution policies as described under the section of the Prospectus headed "The Company and the Funds - Distribution Policy".

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:

- 'M' for a monthly distributing Share Class
- 'Q' for a quarterly distributing Share Class
- 'S' for a semi-annual distributing Share Class

Where a Share Class is available with a predetermined annual distribution rate, that Share Class will be identified by the suffix 'F' followed by the annual distribution rate e.g. 3(%)

Each Share Class, where available, may be offered in the Reference Currency of the relevant Fund, or may be denominated in any other currency, and such currency denomination will be represented as a suffix to the Share Class name. Share Classes may be available in the following currencies: EUR, GBP, USD, CHF, SGD, AUD, HKD, SEK, JPY, CAD, ZAR, RMB or any such other currency as the Company may decide to issue.

Each Share Class may be currency hedged or unhedged. Currency Hedged Share Classes will be identified by an "H" suffix to the Class name.

The relevant Supplement will explain what each Currency Hedged Share Class is seeking to achieve as there are three currency hedging methodologies as described in the risk factors headed:

- Hedging Methodology – Replication
- Hedging Methodology – Look Through
- Hedging Methodology – Benchmark

For the Share classes currently being issued for each Fund, please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue). Shareholders may also request the information from the Company's registered office or the local sales office.

### Availability of Share Classes

Class	Description
Class A	Available to distributors, platforms and other intermediaries who meet the eligibility and minimum investment criteria
Class B	Available for subscription only through a distribution channel approved by the Management Company or an affiliate of the Management Company
Class C	Available to: <ul style="list-style-type: none"><li>▪ Eligible counterparties, within the meaning of article 30 of MiFID, investing for their own account</li><li>▪ Other collective investment schemes</li><li>▪ Distributors, platforms and other intermediaries who operate fee based arrangements with their clients to provide advisory or discretionary portfolio management services and do not receive any fee rebates from the Management Company For these clients, minimum subscription limits will not be applied</li><li>▪ Companies which the Management Company deems to be associate companies and other investors which have an agreement with the Management Company.</li></ul>



Class	Description
Class CI	Available to Institutional Investors
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
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
Class J	<p>Available to:</p> <ul style="list-style-type: none"> <li>▪ Eligible counterparties within the meaning of article 30 of MiFID, investing for their own account</li> <li>▪ Other collective investment schemes</li> <li>▪ Distributors or other intermediaries, who operate fee based arrangements with their clients to provide advisory or discretionary portfolio management services and do not receive any fee rebates from the Management Company</li> <li>▪ Companies which the Management Company deems to be associate companies and other investors which have an agreement with the Management Company</li> </ul> <p>The Management Company shall not pay any fee rebates on the Class J Shares to investors.</p> <p>Such investors will only be able to invest in Class J Shares if they:</p> <ul style="list-style-type: none"> <li>▪ 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;</li> <li>▪ Have a significant investment in the relevant Fund as determined on a case to case basis by the Management Company.</li> </ul> <p>Where an investor's assets in Share Class J fall below a level of significance determined solely by the Management Company, the Management Company may then reject any new subscriptions in the Class J Shares.</p>
Class JI	<p>Available to Institutional Investors who:</p> <ul style="list-style-type: none"> <li>▪ 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;</li> <li>▪ Have a significant investment in the relevant Fund as determined on a case to case basis by the Management Company.</li> </ul> <p>Where an Institutional Investor's assets in the Class JI Shares fall below a level of significance determined solely by the Management Company, the Management Company may then reject any new subscriptions in the Class JI Shares.</p>
Class K	<p>Available to Institutional Investors who are:</p> <ul style="list-style-type: none"> <li>▪ Affiliated companies to the Management Company; or</li> <li>▪ Collective investment schemes managed by the Management Company (or by an affiliated company)</li> </ul> <p>and which have entered into a prior written fee paying arrangement with the Management Company.</p>
Class L	<p>Available to certain investors, approved by the Management Company, who</p> <ul style="list-style-type: none"> <li>▪ Subscribe within a certain period of the launch date of the Fund; and</li> <li>▪ Meet the minimum investment criteria</li> </ul> <p>Offered for a restricted time only and may be at a reduced Annual Management Charge.</p> <p>Any investors who have acquired access to this Share Class can continue investing in this Share Class even after the initial period has passed.</p>

Class	Description
Class LI	<p>Available to Institutional Investors who:</p> <ul style="list-style-type: none"> <li>▪ Are approved by the Management Company; and</li> <li>▪ Subscribe within a certain period of the launch date of the Fund; and</li> <li>▪ Meet the minimum investment criteria</li> </ul> <p>Offered for a restricted time only and may be at a reduced Annual Management Charge.</p> <p>Any Institutional Investors who have acquired access to this Share Class can continue investing in this Share Class even after the initial period has passed.</p>
Class P	<p>Available, with prior agreement of the Management Company, in certain limited circumstances:</p> <ul style="list-style-type: none"> <li>▪ For distribution in certain countries; and</li> <li>▪ through certain distributors.</li> </ul>
Class S	<p>Available to distributors, platforms and other forms of intermediary who meet the eligibility and minimum investment criteria.</p>
Class T	<p>Available to:</p> <ul style="list-style-type: none"> <li>▪ Distributors, platforms and other intermediaries who operate written fee based arrangements with their clients; and</li> <li>▪ Companies which the Management Company deems to be associate companies;</li> <li>▪ Other investors in accordance with the terms of their agreements with the Management Company.</li> </ul> <p>This Class has a performance fee.</p>
Class TI	<p>Available to Institutional Investors.</p> <p>This Class has a performance fee.</p>
Class Z	<p>Available to investors who</p> <ul style="list-style-type: none"> <li>▪ Qualify for the Class C Shares; and</li> <li>▪ Have entered into a prior written fee paying arrangement with the Management Company</li> </ul> <p>Designed to accommodate an alternative charging structure whereby the Annual Management Charge is administratively levied and collected directly from the investor by the Management Company.</p>
Class ZI	<p>Available to Institutional Investors who have entered into a prior written fee paying arrangement with the Management Company.</p> <p>Designed to accommodate an alternative charging structure whereby the Annual Management Charge is administratively levied and collected directly from the Institutional Investor by the Management Company.</p>

## Institutional Investors

Examples of Institutional Investors include:

- Credit institutions or other professionals of the financial sector whether established in Luxembourg or abroad ("PSF") investing either:
  - In their own name and on their behalf;
  - In their own name and on behalf of an institutional investor, or
  - In their own name but on behalf of another party who is not an institutional investor (a "Third Party"). In this case, the following additional conditions must be met:
    - ✓ The Third Party has entered into a discretionary management relationship with the credit institution or PSF, and
    - ✓ The Third Party is not entitled to any direct claim against the fund, but only against the credit institution or the PSF.
- (Re-)insurance companies: In the context of a unit-linked policy, the insurance company may be qualified as an institutional investor even if the policyholders do not qualify as institutional investors under the following conditions:

- The insurance company is the sole subscriber vis-à-vis the fund, and
  - The policyholder has no direct access to the assets of the fund, i.e. it is not entitled to receive, upon termination of the insurance policy, units/shares of the fund.
- Pension funds/plans, provided that the beneficiaries of such pension funds/plans are not entitled to any direct claim against the fund.
  - Collective investment undertakings, whether established in Luxembourg or abroad, even if the investors in such UCI are not institutional investors.
  - Local authorities, such as regions, provinces, cantons and municipalities, insofar as they invest their own funds.
  - Holding companies or similar companies:
    - All the shareholders of which are institutional investors,
    - All the shareholders of which are not institutional investors provided that they either:
      - ✓ Have a real substance and own structure and activity and hold significant financial interests; or
      - ✓ May be regarded as "family" holding companies or similar structures through which a family or a branch of a family holds significant financial
      - ✓ interests.
  - Financial or industrial groups.
  - Foundations holding significant other financial investments and having an existence independent from the beneficiaries or recipients of their income or assets. This basically means that such foundations must not be "transparent", any other entity that may be considered as an institutional investor following the UCI law or CSSF guidelines or practice.

### **Share Class Currency Hedging**

If set out in the relevant Supplement, Hedging Transactions may be undertaken specifically to reduce the exposure of holders of Currency Hedged Share Classes to movements in the material currencies within a Fund's portfolio ("Look Through"), to movements in the material currencies within a Fund's portfolio to the extent of their weighting within the benchmark of the Fund ("Benchmark") or to movements in the relevant hedging reference currency of the Fund ("Replication"), as appropriate.

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 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, 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.

The Net Asset Value per Share of a Currency Hedged Share Class may therefore not necessarily vary in the same way as that of a Share Classes denominated in the Reference Currency of the Fund.

The currency hedging strategy employed will not completely eliminate the exposure of the Currency Hedged Share Classes to currency movements and no assurance can be given that the currency hedging objective will be achieved.

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.

Notwithstanding the currency hedging of the Share Classes described above, Shareholders in those Share Classes may still be exposed to an element of currency exchange rate risk.

Please refer to the paragraph entitled "Hedging Risk" for an overview of the risks associated with Currency Hedged Share Classes.

## Minimum Initial and Subsequent Subscription Amounts and Minimum Holding Amounts

Initial Offer Price, Minimum Subscription amounts, Minimum Subsequent Subscription amounts and minimum holding amounts per Share Class are listed below and are in EUR or in equivalent amounts in alternative currencies unless specified differently in the supplement of the Fund:

Share Class	Initial Offer Price	Minimum Subscription Amount	Minimum Subsequent Subscription Amount	Minimum Holding Amount
A, B	EUR 10	EUR 1,000	EUR 75	EUR 1,000
C, CI, T, TI	EUR 10	EUR 500,000	EUR 50,000	EUR 500,000
P	EUR 10	EUR 1,000	N/A	EUR 1,000
S	EUR 10	EUR 50,000	EUR 5,000	EUR 50,000
G, GI	EUR 10	EUR 200,000,000	EUR 50,000	EUR 200,000,000
L, LI	EUR 10	Minimum amounts may differ per Fund. Please refer to the relevant supplement.		
K, J, JI, Z, ZI	EUR 10	Not applicable. Upon agreement with the Management Company.		

## Charges

Details of the Annual Management Charge and any applicable Initial Charge or redemption charge can be found in the relevant Fund Supplement.

## Overview

Please find below the possible combinations of Share class features:

Share Class Type	Distribution Policy	Distribution Frequency*	Distribution Type**	Available currencies	Hedging Policy***
A, B, C, CI, G, GI, J, JI, K, L, LI, S, T, TI, Z, ZI	Accumulation	N/A	N/A	EUR, GBP, USD, CHF, SGD, AUD, HKD, SEK, JPY, CAD, ZAR, RMB or any such other currency as the Company may decide to use.	Standard (unhedged)
A, B, C, CI, G, GI, J, JI, K, L, LI, Z, ZI	Distribution	Annual Semi-Annual (S) Quarterly (Q) Monthly (M)	Standard distribution  Fixed distribution	EUR, GBP, USD, CHF, SGD, AUD, HKD, SEK, JPY, CAD, ZAR, RMB or any such other currency as the Company may decide to use.	Hedged (H)
P	Distribution	Annually distributing	Fixed distribution	EUR	N/A

\* 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

\*\* Please refer to the paragraph entitled "Distribution Policy"

\*\*\* Please refer to the paragraph entitled "Share Class Currency Hedging"

## APPENDIX 3: 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 table for that Fund in the relevant Supplement under section headed "Performance Fees".

### 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.

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's 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 current High Water Mark for each Share Class will be published on our website.

In summary, the method of calculation of the Performance Fee for each relevant Share Class will be:

- That calculation carried out each Dealing Day of the increase or decrease in the Net Asset Value per Share Class (Pre Performance Fee Net Asset Value per Share<sup>3</sup> 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.

The Management Company reserves the right to waive the Performance Fee for any increase in the Net Asset Value per Share of a Share Class above the greater of its High Water Mark where the Net Asset Value of that Share Class is below an amount detailed in the relevant fund supplement.

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.

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<sup>3</sup> Pre-performance fee Per 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.

## 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. 3-month LIBOR)	5%	5%	5%	10%	10%	10%	10%	10%
Hurdle	100.01	100.02	100.03	100.06	104.04	104.07	104.10	114.95
Performance Fee (PF) accrued	0.00	2.00	0.00	0.99*	1.99	0.99	0.00	0.00
NAV per Share	100.00	108.00	99.00	104.01	112.01	108	98.99	98.99

Note that valuation points A to C represent the three days immediately prior to the final day of an annual accounting period (valuation point D), valuation points E to G represent the first three days of the new annual accounting period, and valuation point H represents the end of that annual accounting period 362 days later.

\* PF is crystallised and paid on the last day of accounting period.

### Description of Valuation Points

#### Valuation Point A

Pre-PF Net Asset Value per Share is 100 at the start of the period and therefore the High Water Mark (HWM) is set at 100 and the Hurdle is set at 100.01, which is 100.00 increased by  $(100.00 \times 5\%) / 365$ .

#### Valuation Point B

The current day's Pre-PF Net Asset Value per Share has risen to 110. As this is above both the HWM and the Hurdle, the Performance Fee accrual is 2 (20% of the difference between the Pre-PF Net Asset Value and the Hurdle;  $9.98 \times 20\%$ ).

The Net Asset Value per Share is therefore 108 ( $110 - 2$ ) and investors buy Shares at a price based upon this.

#### Valuation Point C

The current day's Pre-PF Net Asset Value per Share has fallen to 97.

As this is below the Hurdle, a Performance Fee is not due, and the Performance Fee accrual of 2 is repaid.

The Net Asset Value per Share is now 99 ( $97 + 2$ ).

#### Valuation Point D

The Hurdle Rate (e.g. 3-month LIBOR) has increased to 10% causing a larger adjustment to the Hurdle than previous days;  $(100.03 \times 10\%) / 365$ . The current day's Pre-PF Net Asset Value per Share has risen to 105. This is back above both the HWM and the Hurdle and a Performance Fee of 0.99 ( $4.94 \times 20\%$ ) is due on the gain above the Hurdle. The Net Asset Value per Share is therefore 104.01 ( $105 - 0.99$ ).

As this is the last day of the Company's annual accounting period, the 0.99 fee is crystallised and paid to the Investment Manager.

The HWM is also reset to 104.01, the current Net Asset Value per Share.

#### Valuation Point E

The current day's Pre-PF Net Asset Value per Share has risen to 114. As the HWM has been reset at the previous day's Net Asset Value per Share of 104.01, the Hurdle is also increased to 104.01 plus one-365th of 3-month LIBOR.

The Performance Fee charged is 1.99 ( $9.96 \times 20\%$ ) and the Net Asset Value per Share is 112.01 ( $114 - 1.99$ ).

#### Valuation Point F

The Pre-PF Net Asset Value per Share has fallen to 107. Although still above the current HWM and Hurdle, the Pre-PF Net Asset Value per Share has fallen by 5.01 from the previous day's Net Asset Value per Share of 112.01. 1 ( $5.01 \times 20\%$ ) of the 1.99 Performance Fee accrual is repaid and the remaining balance is 0.99.

As part of the accrued Performance Fee is paid back, the Net Asset Value per Share is now 108 ( $107 + 1$ ).

#### Valuation Point G

The Pre-PF Net Asset Value per Share has fallen to 98.

As this is below both the current HWM and Hurdle, a Performance Fee is not due, and the Performance Fee accrual of 0.99 is repaid and added to the Net Asset Value per Share.

The 0.99 Performance Fee that was crystallised and paid by the Management Company to the Investment Manager at point D is not repaid as that was in the previous accounting period.

#### Valuation Point H

This represents the end of the annual accounting period, 362 days after valuation point G. It assumes that performance has remained flat during the intervening period and so no performance fee has accrued or been returned.

Each day the Hurdle has been increased by one-365th of the Hurdle Rate.

As the Net Asset Value per Share at the end of this accounting period is below the HWM, neither the HWM nor the Hurdle are reset for the next accounting period. If 3-month LIBOR were to remain at 10%, the Hurdle at the next valuation point would be 114.98.

#### Description of PF Impact on Investor Experience

(NB: buying and selling prices in these examples are assumed to be equal to the Net Asset Value per Share)

#### Investor 1 - Invests at point A and sells at point B

Buys at 100 and sells at 108.

As the Pre-PF Net Asset Value per Share has increased above the Hurdle (100.02), a Performance Fee of 2 ( $(110 - 100.01) \times 20\% = 2$ ) is incurred at point B.

#### Investor 2 - Invests at point A and sells at point C

Buys at 100 and sells at 99.

Investor 2 sells below the price they initially paid for their investment and a Performance Fee is not due as the Pre-PF Net Asset Value per Share is below the HWM and the Hurdle.

#### Investor 3 - Invests at point C and sells at point D

Buys below the HWM and Hurdle at 99 and sells at 104.01.

Although Investor 3's Pre-PF gain is 6 ( $105 - 99$ ), a Performance Fee of only 0.99 is payable as the Performance Fee is only payable on any gain above the greater of the HWM and the Hurdle ( $(105 - 100.06) \times 20\% = 0.99$ ).

#### Investor 4 - Invests at point D and sells at point F

Buys at 104.01 on the day that the reset of the HWM and Hurdle occurs and sells at 108.



Point E: There has been a 9.96 increase from the Hurdle (104.04) to the current day's Pre-PF Net Asset Value per Share (114). Therefore a 1.99 PF has been incurred  $((114 - 104.04) \times 20\% = 1.99)$ . The 1.99 accrual is subtracted from the Pre-PF Net Asset Value per Share of 114 to end at the Net Asset Value per Share of 112.01  $(114 - 1.99)$ .

Point F: There has been a 5.01 decrease from the previous day's Net Asset Value per Share (112.01) to the current day's Pre-PF Net Asset Value per Share (107). Therefore a PF accrual of 1 should be repaid  $((107 - 112.01) \times 20\% = 1)$ . 1 of the accrual is added to the Pre-PF Net Asset Value per Share of 107 to end at a Net Asset Value per Share of 108  $(107 + 1)$ . A Performance Fee of 0.99 still remains.

A 0.99 Performance Fee has been paid in total from points D-F.

#### Investor 5 - Invests at point A and sells at point F

Buys at 100 and sells at 108.

Point A through C: No PF has been charged.

Point D: Although the previous day's Net Asset Value per Share is 99, it is below the HWM and Hurdle. A PF is only charged once the Net Asset Value exceeds the HWM and Hurdle, which are 100 and 100.06 respectively. Therefore, there has been a 4.94 increase from the previous day's Net Asset Value per Share that is above the greater of the HWM or the Hurdle  $(105 - 100.06 = 4.94)$  to the current day's Pre-PF Net Asset Value per Share (105). Therefore a 0.99 PF has been incurred  $((105 - 100.06) \times 20\% = 0.99)$ . As this is the end of the accounting period, the accrued PF is paid to the Investment Manager and the HWM is reset to 104.01, the Net Asset Value per Share  $(105 - 0.99)$ .

Point E: There has been a 9.96 increase above the Hurdle (104.04) to the current day's Pre-PF Net Asset Value per Share (114). Therefore a 1.99 PF has been incurred  $((114 - 104.06) \times 20\% = 1.99)$ . The 1.99 accrual is subtracted from the Pre-PF Net Asset Value per Share of 114 to end at the Net Asset Value per Share of 112.01  $(114 - 1.99)$ .

Point F: There has been a 5.01 decrease from the previous day's Net Asset Value per Share (112.01) to the current day's Pre-PF Net Asset Value per Share (107). Therefore a PF accrual of 1 should be repaid  $((107 - 112.01) \times 20\% = 1)$ . An accrual of 1 is added to the Pre-PF Net Asset Value per Share of 107 to end at the Net Asset Value per Share of 108  $(107 + 1)$ . A Performance Fee of 0.99 remains accrued.

A 1.98 Performance Fee has been paid in total from points A-F (0.99 from point A through D and 0.99 from points E through F).

#### Investor 6 - Invests at point A and sells at point G

Buys at 100 and sells at 98.99. At the end of the Company's first annual accounting period (point D) a Performance Fee of 0.99 has been incurred  $(105 - 100.06 \times 20\% = 0.99)$ . This is paid to the Investment Manager and the HWM is reset to 104.01. From point D to point G, a Performance Fee is not incurred as the price is lower than the HWM and the Hurdle. A 0.99 Performance Fee has been paid in total from points A-G.

**Further details of the Performance Fee are available from the Management Company on request.**

## **APPENDIX 4: FUND SUPPLEMENTS**

The information contained in each Fund Supplement should be read in conjunction with the full Prospectus.

## 1. M&G (LUX) ABSOLUTE RETURN BOND FUND

**Fund Name** M&G (Lux) Absolute Return Bond 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 2.5% a year, before any charges<sup>4</sup> 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 2.5%.

\*As based on 3-month Euribor, the rate at which banks borrow money from each other.

**Investment Policy** The Fund will invest at least 70% of its Net Asset Value in the following asset classes: bonds, currencies, cash, near cash and deposits. These may be issued anywhere in the world and denominated in any currency.

The Fund's exposure to these investments may also be gained by investing in other collective investment schemes<sup>5</sup>, or through the use of derivative instruments. 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, and 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 which are rated above investment grade by a recognised rating agency, bonds issued or guaranteed by companies, governments, local authorities, government agencies or certain public international bodies, bonds from issuers located in emerging markets;
- A maximum of 60% of the Fund's Net Asset Value combined in unrated bonds and sub-investment grade bonds;
- A maximum of 20% of the Fund's Net Asset Value in Contingent Convertible Debt Securities; and
- A maximum of 20% of the Fund's Net Asset Value in Asset-Backed Securities.

**Investment Approach** The Investment Manager takes a flexible approach, investing across a broad range of fixed income and currency markets according to where they identify value. A dynamic investment approach is followed, allowing the Investment Manager to change the blend of duration, credit and currency exposures based on their outlook.

The Fund will typically aim to have a high level of diversification in individual credit selection and across investment themes and sources of return. The managers will aim to achieve the performance objective while managing the

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<sup>4</sup> Please refer to the section entitled "Fees and Expenses".

<sup>5</sup> When the underlying collective investment scheme is managed by the Management Company (or an associate), the Management Company will reduce its the Annual Management 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.

fund's volatility and limiting losses during difficult market conditions.

**Performance  
Comparator**

3-month Euribor plus 2.5%

**Profile of Typical  
Investor**

Typical investors may be retail, professional or institutional 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 may be suitable for investors who have an investment time horizon of at least three years.

**Reference Currency**

Euro

**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**

The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 6%.

**Leverage**

The Fund's expected level of leverage under normal market conditions is 385% 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.

**Risk Warnings**

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Short Sales
- Currency & Exchange Rate Risk
- Derivative Instruments
- Credit Risk
- Liquidity Risk
- Counterparty Risk
- Contingent Convertible Debt Securities
- Negative Duration
- Exposure Greater than Net Asset Value

**Share Classes Available for Issue**

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.00%	1.30%	0.40%	0.40%	Up to 0.40%	Up to 0.40%	Nil	Nil	Nil
Initial Charge	1.25%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 2. M&G (LUX) ASIAN FUND

<b>Fund Name</b>	M&G (Lux) Asian Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the Asia Pacific (excluding Japan) equity market over any five-year period.
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities of companies that are domiciled in, or conducting the major part of their economic activity in, the Asia Pacific region (excluding Japan).</p> <p>The investment process of the Fund is based on the fundamental analysis of companies with a specific focus on their return on capital profile, their corporate governance practices and the valuation of the shares.</p> <p>The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>6</sup>, cash and near cash, deposits and warrants.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
<b>Investment Approach</b>	<p>The Fund employs a bottom-up stock picking approach to identify companies whose long-term prospects are, in the Investment Manager's opinion, being undervalued. The Fund's approach incorporates three elements: return on capital, valuations and corporate governance.</p> <p>It is the core belief of the Investment Manager that company-specific factors, in particular their profitability (which is measured in terms of returns on capital) drive share prices over the long run.</p> <p>The Fund's country and sector exposure is not influenced by top-down views.</p>
<b>Performance Comparator</b>	<p>MSCI All Country Asia Pacific ex Japan Net Return Index</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	<p>The Fund is suitable for retail and Institutional Investors seeking long term capital growth and income through investment in Asian securities. The Fund is suitable for investors 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.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least five years.</p>
<b>Reference Currency</b>	US Dollar
<b>Distribution Policy</b>	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

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<sup>6</sup> 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 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.

**Initial Offer Period**

The Fund is not launched at the date of this Prospectus and will be launched following a decision by the Directors. The Prospectus will be amended accordingly.

**Risk Warnings**

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Emerging Markets
- Currency & Exchange Rate Risk
- Liquidity Risk
- Funds Investing In A Specific Asset Class, Region or Sector
- Investments in China
- Counterparty Risk

**Share Classes Available for Issue**

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.50%	2.00%	0.75%	0.75%	Up to 0.75%	Up to 0.75%	Nil	Nil	Nil
Initial Charge	5.00%	Nil	3.25%	1.25%	3.25%	Nil	Nil	3.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

### 3. M&G (LUX) CONSERVATIVE ALLOCATION FUND

<b>Fund Name</b>	M&G (Lux) Conservative Allocation Fund
<b>Launch Date</b>	16 January 2018
<b>Investment Objective</b>	The Fund aims to deliver a positive total return (the combination of income and capital growth) of 3-6% p.a. in any three-year period, through investment in a range of global assets.
<b>Investment Policy</b>	<p>The Fund has a highly flexible investment approach with the freedom to invest in different types of assets issued anywhere in the world and denominated in any currency.</p> <p>The Fund will 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.</p> <p>The Fund may invest in China A Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Exchange.</p> <p>The Fund may also invest directly in these assets, or indirectly through other collective investment schemes<sup>7</sup>. The Fund can also invest in currencies, cash, near cash, deposits and warrants. The Investment Manager will normally seek to hold more than 60% of the Fund's Net Asset Value in euro denominated assets or in other currencies hedged back to euro.</p> <p>The Fund will normally invest within the following net allocation ranges: 0-100% in fixed income, 0-35% in equities and 0-20% in other assets.</p> <p>Fixed income instruments that the Fund may invest in include the following:</p> <ul style="list-style-type: none"><li>▪ Derivatives whose value is derived from bonds, interest rates or credit risk;</li><li>▪ Bonds issued or guaranteed by companies, governments, local authorities, government agencies or certain public international bodies;</li><li>▪ Bonds from issuers located in emerging markets;</li><li>▪ Bonds which are rated investment grade by a recognised rating agency;</li><li>▪ Unrated bonds and bonds which are rated sub-investment grade, subject to a maximum of 50% of the Fund's Net Asset Value; and</li><li>▪ Asset-Backed Securities subject to a maximum of 20% of the Fund's Net Asset Value.</li></ul> <p>Equity instruments that the Fund may invest in include (a) derivatives whose value is derived from company shares and (b) direct company shares.</p> <p>Other assets, for this purpose, include 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.</p> <p>Derivatives can be used to meet the Fund's investment objective, for hedging purposes, and for efficient portfolio management.</p>

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<sup>7</sup> 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 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.



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.

#### **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 3% and 7%.

#### **Performance Comparator**

Not applicable

#### **Profile of Typical Investor**

Typical investors may be retail, professional or institutional 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.

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 may be suitable for investors who have an investment time horizon of at least three years.

#### **Reference Currency**

Euro

#### **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**

The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 8%.

#### **Leverage**

The Fund's expected level of leverage under normal market conditions is 144% 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.

## Risk Warnings

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Derivative Instruments
- Short Sales
- Credit Risk
- Currency & Exchange Rate Risk
- Counterparty Risk
- Contingent Convertible Debt Securities
- Exposure Greater than Net Asset Value
- Investments in China

## Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.40%	1.90%	0.60%	0.60%	Up to 0.60%	Up to 0.60%	Nil	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 4. M&G (LUX) DYNAMIC ALLOCATION FUND

<b>Fund Name</b>	M&G (Lux) Dynamic Allocation Fund
<b>Launch Date</b>	16 January 2018
<b>Investment Objective</b>	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.
<b>Investment Policy</b>	<p>The Fund has a highly flexible investment approach with the freedom to invest in different types of assets issued anywhere in the world and denominated in any currency.</p> <p>The Fund will 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.</p> <p>The Fund may invest in China A Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Exchange.</p> <p>The Fund may also invest directly in these assets, or indirectly through other collective investment schemes<sup>8</sup>. The Fund can also invest in currencies, cash, near cash, deposits and warrants. 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).</p> <p>The Fund will normally invest within the following net allocation ranges: 0-80% in fixed income, 20-60% in equities and 0-20% in 'other' assets.</p> <p>Fixed income instruments that the fund may invest in include the following:</p> <ul style="list-style-type: none"><li>▪ Derivatives whose value is derived from bonds, interest rates or credit risk;</li><li>▪ Bonds issued or guaranteed by companies, governments, local authorities, government agencies or certain public international bodies;</li><li>▪ Bonds from issuers located in emerging markets;</li><li>▪ Bonds which are rated investment grade by a recognised rating agency;</li><li>▪ Unrated bonds and bonds which are rated sub-investment grade, subject to a maximum of 60% of the Fund's Net Asset Value; and</li><li>▪ Asset-Backed Securities subject to a maximum of 20% of the Fund's Net Asset Value.</li></ul> <p>Equity instruments that the Fund may invest in include (a) derivatives whose value is derived from company shares and (b) direct company shares.</p> <p>Other assets, for this purpose, include 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.</p>

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<sup>8</sup> 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 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.

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.

#### **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%.

#### **Performance Comparator**

Not applicable

#### **Profile of Typical Investor**

Typical investors may be retail, professional or institutional 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.

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 may be suitable for investors who have an investment time horizon of at least three years.

#### **Reference Currency**

Euro

#### **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**

The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 14%.

#### **Leverage**

The Fund's expected level of leverage under normal market conditions is 162% 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.

#### **Risk Warnings**

Investors' attention is particularly drawn to the section entitled "Risk Factors" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Derivative Instruments
- Short Sales
- Credit Risk

- Currency & Exchange Rate Risk
- Counterparty Risk
- Contingent Convertible Debt Securities
- Exposure Greater than Net Asset Value
- Investments in China

### Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.75%	2.25%	0.75%	0.75%	Up to 0.75%	Up to 0.75%	Nil	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 5. M&G (LUX) EMERGING MARKETS BOND FUND

<b>Fund Name</b>	M&G (Lux) Emerging Markets Bond Fund
<b>Launch Date</b>	17 September 2018
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the global emerging markets bond market over any three-year period.
<b>Investment Policy</b>	<p>The Fund has the flexibility to invest across all types of emerging market debt, which includes sovereign, corporate and local currency debt.</p> <p>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 market countries<sup>9</sup>.</p> <p>The investment process of the Fund is based on both a top-down macroeconomic view and fundamental analysis of individual securities.</p> <p>The Fund may invest up to a combined maximum of 100% of the Fund's Net Asset Value in below investment grade and unrated securities. There are no credit quality restrictions with respect to the debt securities in which the Fund may invest.</p> <p>The Fund may hold up to a maximum of 10% of its Net Asset Value in Contingent Convertibles Debt Securities and up to 10% of its Net Asset Value in Asset-Backed Securities.</p> <p>The Fund will typically invest directly. The Fund may also invest indirectly via derivatives 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. Derivatives 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 and Credit Linked Notes.</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>10</sup>, cash and near cash, deposits, warrants and other debt instruments.</p>
<b>Investment Approach</b>	<p>The Fund's investment approach begins with a top-down assessment of macroeconomic factors such as global risk appetite and structural global growth catalysts.</p> <p>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.</p> <p>Both macroeconomic and security-specific analysis is undertaken by the Investment Manager and the in-house team of credit analysts.</p>

<sup>9</sup> Emerging markets will typically be those defined by the International Monetary Fund as such or those defined by the World Bank as emerging or developing economies.

<sup>10</sup> When the underlying collective investment scheme is managed by the Management Company (or an associate), the Management Company will reduce its Annual Management 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.

The Fund is diversified by investing in a range of assets across global emerging bond markets.

**Performance  
Comparator**

Composite index made of the following three indices:

- 1/3 JPM EMBI Global Diversified Index
- 1/3 JPM CEMBI Broad Diversified Index
- 1/3 JPM GBI-EM Global Diversified Index

These indices represent the emerging market government bond markets denominated in hard currencies, the emerging market corporate bond markets denominated in hard currencies and the emerging market government bond markets denominated in local currencies respectively.

The Fund is actively managed. The composite index is a point of reference against which the performance of the Fund may be measured.

**Profile of Typical  
Investor**

The Fund is suitable 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, 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 may be suitable for investors who have an investment time horizon of at least three years.

**Reference Currency**

US Dollar

**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 level of leverage under normal market conditions is 20.9% 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.

**Risk Warnings**

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Emerging Markets
- Derivative Instruments
- Interest Rate Risk
- Credit Risk
- Currency & Exchange Rate Risk
- Liquidity Risk
- Counterparty Risk
- Contingent Convertible Debt Securities
- Securitised Bonds
- Exposure Greater than Net Asset Value
- Short Sales

## Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.25%	1.75%	0.60%	0.60%	Up to 0.60%	Up to 0.60%	Nil	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**



## 6. M&G (LUX) EMERGING MARKETS HARD CURRENCY BOND FUND

<b>Fund Name</b>	M&G (Lux) Emerging Markets Hard Currency Bond Fund
<b>Launch Date</b>	22 May 2017
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of income and capital growth) than that of the hard currency emerging market bond market over any three-year period.
<b>Investment Policy</b>	<p>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<sup>11</sup>. It may also take limited exposure to debt instruments issued by emerging markets companies or instruments denominated in emerging markets currencies. The Investment Manager has the discretion to identify the countries that it considers to qualify as emerging markets<sup>12</sup>.</p> <p>The Fund's exposure to these assets will typically be gained directly. The Fund may also invest indirectly via derivative instruments.</p> <p>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 and Options.</p> <p>The Fund may also invest in cash, near cash, deposits, other debt instruments and other collective investment schemes<sup>13</sup>.</p>
<b>Investment Approach</b>	<p>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.</p> <p>Within this framework, the Investment Manager's approach involves:</p> <ul style="list-style-type: none"><li>▪ 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.</li><li>▪ 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).</li><li>▪ Evaluating the technical conditions of the credit to identify both the upside and the imbalances that could potentially lead to market dislocations.</li></ul> <p>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.</p> <p>The Fund will not take direct or indirect (when the underlying of an eligible asset is a commodity) exposure to commodities</p>

<sup>11</sup> Hard currency refers to currencies of developed countries including, but not limited to USD, EUR, JPY and GBP.

<sup>12</sup> Emerging markets will typically be those defined by the International Monetary Fund as such or those defined by the World Bank as emerging or developing economies.

<sup>13</sup> 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 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.

<b>Performance Comparator</b>	J.P. Morgan EMBI Global Diversified Index  The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.
<b>Profile of Typical Investor</b>	Typical investors may be retail, professional or institutional who are looking for income and 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 may be suitable for investors who have an investment time horizon of at least three years.
<b>Reference Currency</b>	US Dollar
<b>Currency Hedged Share Classes</b>	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.
<b>Calculation of Global Exposure</b>	The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 15%.
<b>Leverage</b>	The Fund's expected level of leverage under normal market conditions is 30% 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.
<b>Distribution Policy</b>	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.
<b>Risk Warnings</b>	Investors' attention is particularly drawn to the section entitled " <b>Risk Factors</b> " of the Prospectus and especially to the risk factors relating to: <ul style="list-style-type: none"> <li>▪ Risk to Capital &amp; Income Will Vary</li> <li>▪ Credit Risk</li> <li>▪ Liquidity Risk</li> <li>▪ Counterparty Risk</li> <li>▪ Emerging Markets</li> </ul>

#### Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	L	LI	Z	ZI
Annual Management Charge (annual rate)	1.50%	2.00%	0.60%	0.60%	Up to 0.60%	Up to 0.60%	Nil	0.35%	0.35%	Nil	Nil
Initial Charge	4.00%	N/A	1.25%	1.25%	1.25%	Nil	Nil	1.25%	1.25%	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 7. M&G (LUX) EMERGING MARKETS INCOME OPPORTUNITIES FUND

<b>Fund Name</b>	M&G (Lux) Emerging Markets Income Opportunities Fund
<b>Launch Date</b>	22 May 2017
<b>Investment Objective</b>	The Fund aims to deliver an annual income of 4-6%. Subject to this, the Fund aims to deliver capital growth over any five year period.
<b>Investment Policy</b>	<p>The Fund will invest at least 80% of its Net Asset Value in emerging market assets, including equities, bonds and closed-ended real estate investment trusts.</p> <p>The Investment Manager has the discretion to identify the countries that it considers to qualify as emerging markets<sup>14</sup>. The Fund may invest across a wide range of geographies, sectors and market capitalisations. The Fund may invest in China A Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Exchange.</p> <p>The Fund will invest at least 25% of its Net Asset Value in the equity securities of companies domiciled in or conducting the major part of their economic activity in emerging market countries. The Fund will invest at least 25% of its Net Asset Value in bonds issued by companies or quasi-government agencies domiciled in or conducting the major part of their economic activity in emerging market countries.</p> <p>The bonds that the Fund may invest in include the following:</p> <ul style="list-style-type: none"><li>▪ Asset-Backed Securities, subject to a maximum of 10% of the Fund's Net Asset Value, bonds which are rated investment grade by a recognised rating agency, bonds issued or guaranteed by companies, local authorities, government agencies or certain public international bodies, convertible/exchangeable bonds;</li><li>▪ a maximum of 75% of the Fund's Net Asset Value combined in unrated bonds and sub-investment grade bonds; and</li><li>▪ maximum of 20% of the Fund's Net Asset Value in Contingent Convertible Debt Securities.</li></ul> <p>The Fund's exposure to these assets will typically be gained directly.</p> <p>The Fund may also invest indirectly via derivative instruments. Derivative instruments can be used to meet the Fund's investment objective and for efficient portfolio management. The derivative instruments that the Fund may invest in include Spot and Forward Contracts, Exchange Traded Futures, Swaps, Credit Default Swaps and Options.</p> <p>The fund may also invest in cash, near cash, deposits, other debt instruments and other collective investment schemes.<sup>15</sup></p>
<b>Investment Approach</b>	<p>The Fund employs a bottom-up approach to find the best investments across the capital structure to deliver on the Fund's investment objective. The Fund will invest primarily in equities and corporate bonds from issuers whose primary business operations are located in emerging market economies, leveraging the Investment Manager's existing emerging market equity and credit selection capabilities to identify the most attractive investments.</p> <p>Corporate bonds will typically generate and have historically generated a higher level of income yield than equities. Consequently income is not the Investment Manager's only consideration when selecting equities. Instead the</p>

<sup>14</sup> Emerging markets will typically be those defined by the International Monetary Fund as such or those defined by the World Bank as emerging or developing economies.

<sup>15</sup> 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 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 investment scheme to avoid any double charge.

Fund will own equities for their investment characteristics and their expected total return profile rather than purely their dividend yield.

The Fund's allocation between bonds and equities is an output of the investment process and portfolio construction, and as such will be the result of the Investment Manager investing in the best ideas, individually and relatively, across the capital spectrum.

**Performance Comparator**

Not applicable

**Profile of Typical Investor**

Typical investors may be retail, professional or institutional who are looking for income and 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 may be suitable for investors who have an investment time horizon of at least five years.

**Reference Currency**

US Dollar

**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**

The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 20%.

**Leverage**

The Fund's expected level of leverage under normal market conditions is 95% 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.

**Risk Warnings**

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Credit Risk
- Currency & Exchange Rate Risk
- Liquidity Risk
- Emerging Markets
- Investments in China

**Share Classes Available for Issue**

Share Classes	A	B	C	CI	J	J1	K	Z	Z1
Annual Management Charge (annual rate)	1.50%	2.00%	0.60%	0.60%	Up to 0.60%	Up to 0.60%	Nil	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 8. M&G (LUX) EPISODE MACRO FUND

<b>Fund Name</b>	M&G (Lux) Episode Macro Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	The Fund aims to achieve a total return (the combination of capital growth and income) of 4-8% a year above the 3-month LIBOR, over any five-year period.
<b>Investment Policy</b>	<p>The Fund has a highly flexible investment approach, with the freedom to invest in fixed income securities, equities (including closed-ended real estate investment trusts), Convertible Bonds, Asset-Backed Securities, currencies, cash, near cash and deposits. These assets can be issued anywhere in the world, including emerging markets, and denominated in any currency.</p> <p>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 market. This may result in a net long or net short position at the overall fund level</p> <p>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.</p> <p>The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.</p> <p>The Fund may invest up to 20% of its Net Asset Value in Contingent Convertibles Securities and up to 20% of its Net Asset Value in Asset-Backed Securities.</p> <p>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.</p> <p>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.</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>16</sup>, warrants, and other transferable securities.</p>
<b>Investment Approach</b>	<p>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.</p> <p>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</p>

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<sup>16</sup> 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 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.

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).

**Performance Comparator**

3-month LIBOR plus 4-8%

**Profile of Typical Investor**

Typical investors may be retail, professional or institutional 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 may be suitable for investors who have an investment time horizon of at least five years.

**Reference Currency**

US Dollar

**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 level of leverage under normal market conditions is 159.4% 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.

**Risk Warnings**

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Credit Risk
- Interest Rate Risk
- Derivative Instruments
- Short Sales
- Exposure Greater than Net Asset Value
- Securitised Bonds
- Emerging Markets
- Contingent Convertible Debt Securities
- Liquidity Risk
- Counterparty Risk
- Investments in China

**Share Classes Available for Issue**

Share Classes	S	B	T	TI
Annual Management Charge (annual rate)	1.75%	2.25%	0.75%	0.75%
Initial Charge	4.00%	Nil	4.00%	1.25%
Redemption Charge	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%



Administration Charge	0.15%	0.15%	0.15%	0.15%
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- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

### Performance Fee

- A Performance Fee will be charged on T and TI Share Classes.
- The 3-month LIBOR is used as a benchmark 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.
- The Management Company reserves the right to waive the Performance Fee when the Net Asset Value of a Share Class, calculated in the currency denomination of that Share Class, is below 10 million.

Applicable Share Classes	Performance Fee	Mechanism	Performance Fee Hurdle Rate
USD Unhedged	20%	High Water Mark	3-month USD Libor
GBP Hedged	20%	High Water Mark	3-month GBP Libor
Euro Hedged	20%	High Water Mark	3-month EUR Libor
CHF Hedged	20%	High Water Mark	3-month CHF Libor

## 9. M&G (LUX) EURO CORPORATE BOND FUND

<b>Fund Name</b>	M&G (Lux) Euro Corporate Bond Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the European investment grade corporate bond market over any five-year period.
<b>Investment Policy</b>	<p>The Fund invests at least 70% of its Net Asset Value in investment grade corporate bonds denominated in any European currency. Issuers of these securities may be located in any country, including emerging markets.</p> <p>The investment process of the Fund is based on both a macroeconomic view and fundamental analysis of individual securities.</p> <p>The Fund may also invest in high yield corporate bonds, unrated bonds, government and public securities denominated in any European currency. More than 70% of the Fund's assets will be in Euro or hedged back to Euro. There are no credit quality restrictions with respect to the high yield debt securities in which the Fund may invest.</p> <p>The Fund may invest up to a combined maximum of 30% of the Fund's Net Asset Value in below investment grade and unrated securities.</p> <p>The Fund may hold up to a maximum of 20% of its Net Asset Value in Contingent Convertible Debt Securities and up to a maximum of 20% of its Net Asset Value in Asset-Backed Securities.</p> <p>The Fund will typically invest directly. The Fund may also invest indirectly via derivatives instruments to take both long and short positions to meet the Fund's investment objective, for efficient portfolio management and for the purpose of hedging. These instruments may include, but are not limited to, Spot and Forward Contracts, Exchange Traded Futures, Options, Credit Default Swaps, Interest Rate Swaps and Credit Linked Notes (CLNs).</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>17</sup>, cash and near cash, deposits, and other debt instruments.</p>
<b>Investment Approach</b>	<p>The Investment Manager believes that bond returns are driven by a combination of macroeconomic, asset, sector, geographic and stock-level factors. A dynamic investment approach is followed, allowing the Investment Manager to change the blend of duration and credit exposure.</p> <p>The Fund is diversified by investing in a range of individual issuers, sectors and geographies. An in-house team of credit analysts assists the Investment Manager in individual credit selection along with the monitoring of issuers held by the Fund.</p>
<b>Performance Comparator</b>	<p>BofA Merrill Lynch Euro Corporate Index</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	The Fund is suitable for 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, but who appreciate that their capital will be at risk and that the value of their investment

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<sup>17</sup> When the underlying collective investment scheme is managed by the Management Company, the Management Company will reduce its Annual Management 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.

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 may be suitable for investors who have an investment time horizon of at least five years.

<b>Reference Currency</b>	Euro
<b>Currency Hedged Share Classes</b>	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.
<b>Calculation of Global Exposure Leverage</b>	<p>Absolute VaR</p> <p>The Fund's expected level of leverage under normal market conditions is 49.5% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Distribution Policy</b>	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.
<b>Risk Warnings</b>	<p>Investors' attention is particularly drawn to the section entitled "<b>Risk Factors</b>" of the Prospectus and especially to the risk factors relating to:</p> <ul style="list-style-type: none"> <li>▪ Risk to Capital &amp; Income Will Vary</li> <li>▪ Credit Risk</li> <li>▪ Interest Rate Risk</li> <li>▪ Securitised Bonds</li> <li>▪ Derivative Instruments</li> <li>▪ Liquidity Risk</li> <li>▪ Counterparty Risk</li> <li>▪ Currency &amp; Exchange Rate Risk</li> <li>▪ Contingent Convertible Debt Securities</li> <li>▪ Short Sales</li> </ul>

#### Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.00%	1.50%	0.50%	0.50%	Up to 0.50%	Up to 0.50%	Nil	Nil	Nil
Initial Charge	3.25%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 10. M&G (LUX) EUROPEAN INFLATION LINKED CORPORATE BOND FUND

<b>Fund Name</b>	M&G (Lux) European Inflation Linked Corporate Bond Fund
<b>Launch Date</b>	16 March 2018
<b>Investment Objective</b>	The Fund aims to achieve a total return (the combination of income and capital growth) equal to or greater than European inflation over any three-year period.
<b>Investment Policy</b>	<p>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.</p> <p>Additionally the Fund may also invest in the following fixed income instruments:</p> <ul style="list-style-type: none"><li>▪ 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</li><li>▪ Floating rate notes, subject to a maximum of 50% of the Fund's Net Asset Value</li><li>▪ Bonds from issuers located in emerging markets, subject to a maximum of 20% of the Fund's Net Asset Value</li><li>▪ Unrated bonds and bonds which are rated sub-investment grade, subject to a maximum of 30% of the Fund's Net Asset Value</li><li>▪ Asset-Backed Securities subject to a maximum of 20% of the Fund's Net Asset Value.</li></ul> <p>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, and Credit Default Swaps.</p> <p>The Fund may also invest in cash, currencies, near cash, deposits, other debt instruments, other derivatives, preferred shares, warrants and other funds<sup>18</sup>.</p>
<b>Investment Approach</b>	<p>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.</p> <p>The Investment Manager adopts a blended approach which combines top-down and bottom-up considerations.</p> <p>The Fund will typically invest in European securities but may also take global exposures according to where the Investment Manager identifies value.</p>
<b>Performance Comparator</b>	Not applicable
<b>Profile of Typical Investor</b>	<p>Typical investors may be retail, professional or institutional who are looking for a total return equal to or greater than European inflation but can bear the economic risk of the loss of their investment in the Fund.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p>

<sup>18</sup> When the underlying fund is also managed by the Management Company (or an associate), the Management Company will reduce its Annual Management Charge by the amount of any equivalent charge that has been taken on the underlying funds and no initial or redemption charge will apply at the level of the underlying fund to avoid any double charge.

This Fund may be suitable for investors who have an investment time horizon of at least three years.

<b>Reference Currency</b>	Euro
<b>Currency Hedged Share Classes</b>	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
<b>Calculation of Global Exposure</b>	The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 10%.
<b>Leverage</b>	<p>The Fund's expected level of leverage under normal market conditions is 106% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Distribution Policy</b>	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.
<b>Initial Offer Period</b>	The Fund was launched on 16 March 2018.
<b>Risk Warnings</b>	<p>Investors' attention is particularly drawn to the section entitled "<b>Risk Factors</b>" of the Prospectus and especially to the risk factors relating to:</p> <ul style="list-style-type: none"> <li>▪ Risk to Capital &amp; Income Will Vary</li> <li>▪ Currency &amp; Exchange Rate Risk</li> <li>▪ Credit Risk</li> <li>▪ Derivative Instruments</li> <li>▪ Liquidity Risk</li> <li>▪ Counterparty Risk</li> </ul>

#### Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.00%	1.50%	0.40%	0.40%	Up to 0.40%	Up to 0.40%	Nil	Nil	Nil
Initial Charge	3.25%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 11. M&G (LUX) EUROPEAN STRATEGIC VALUE FUND

<b>Fund Name</b>	M&G (Lux) European Strategic Value Fund
<b>Launch Date</b>	18 September 2018
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the European equity market over any five-year period.
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities of companies across any sector and market capitalisation that are domiciled in, or conducting the major part of their economic activity in Europe.</p> <p>The Fund uses an investment process that is based on the fundamental analysis of companies trading on low valuations relative to their history and the market.</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>19</sup>, cash and near cash, deposits and warrants.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
<b>Investment Approach</b>	<p>The Fund employs a bottom-up stock picking approach to identify shares of European companies that the Investment Manager believes are undervalued. The Investment Manager seeks to identify companies that are mispriced, while trying to avoid firms that are cheap for a reason and whose share prices are unlikely to improve over time.</p> <p>The Fund's approach combines strict value-focused screening with rigorous qualitative analysis to ensure the Fund has a consistent and disciplined value bias, without compromising on the robustness of the companies in the portfolio.</p> <p>The main drivers of returns are expected to be the value style and overall stock selection rather than any individual sector or stock.</p>
<b>Performance Comparator</b>	<p>MSCI Europe Net Return Index</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	<p>The Fund is suitable for retail and Institutional Investors seeking to gain a combination of capital growth and income from a portfolio of predominantly European equities, 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.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least five years.</p>
<b>Reference Currency</b>	Euro
<b>Distribution Policy</b>	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

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<sup>19</sup> When the underlying collective investment scheme is managed by the Management Company (or an associate), the Management Company will reduce its Annual Management 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.

**Initial Offer Period**

The Fund is not launched at the date of this Prospectus and will be launched following a decision by the Directors. The Prospectus will be amended accordingly.

**Risk Warnings**

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Funds Investing In A Specific Asset Class, Region or Sector
- Emerging Markets
- Currency & Exchange Rate Risk
- Funds Investing In Smaller Companies
- Liquidity Risk
- Counterparty Risk

**Share Classes Available for Issue**

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.50%	2.00%	0.75%	0.75%	Up to 0.75%	Up to 0.75%	Nil	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 12. M&G (LUX) FLOATING RATE HIGH YIELD SOLUTION

**Fund Name** M&G (Lux) Floating Rate High Yield Solution

**Launch Date** 24 August 2017

**Investment Objective** The Fund aims to provide a competitive global high yield bond market exposure whilst limiting interest rate risk. Performance will be measured versus a global high yield composite index\* over any five year period.

*\* Composite index consists of 2/3 CDX.NA.HY Index on the run contract, 1/3 iTraxx Crossover Index on the run contract.*

**Investment Policy** The Fund invests at least 70% of its net asset value synthetically in floating rate high yield bonds. This exposure is achieved via a combination of high yield credit default swap indices ("**CDX**") and government floating rate bonds (rated A or above by S&P), from anywhere in the world, or cash. This synthetic structure achieves the Fund's desired credit exposure in a highly liquid manner and with low interest rate risk.

CDX are over the counter agreements which exchange the credit risk of the bonds composing the index between parties. The components of the index and their relative weightings are determined by an index provider (e.g. Markit) according to a set of pre-defined and published rules. There is no minimum credit rating requirement for entities included in the indices.

This exchange of credit risk allows one party, known as the protection buyer, to hedge credit risk, and the other party, known as the protection seller, to add long credit exposure. When acting as the protection seller, the Fund may use CDX to gain exposure to an index of bonds. This is similar to holding a physical portfolio of these bonds in that the Fund will receive coupons and be exposed to the capital value of the bonds, in return for assuming the default risk of those bonds. However in comparison to physical bonds, Credit Default Swaps allow the Fund to gain this credit exposure in a highly liquid manner and without interest rate risk.

The Fund uses a top down macro driven investment process within the following parameters:

- High yield bond market exposure is managed between 70% and 130%
- Geographical allocations to US and European indices are limited to 25% above or below the composite index allocations

Currency exposures within the Fund will be typically in USD or hedged into USD.

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 may invest in include Credit Default Swaps, Spot and Forward Contracts, Exchange Traded Futures, Swaps and Total Return Swaps.

The Fund may also invest in government bonds, cash, currencies, near cash, deposits, other debt instruments, other derivatives, preferred shares, warrants and other funds<sup>20</sup>.

**Investment Approach** The Fund is globally diversified and, through the underlying CDX, seeks to provide exposure to a broad range of high yield bond issuers across a variety of industrial sectors.

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<sup>20</sup> 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 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.



The Investment Manager has the flexibility to adjust the Fund's credit exposure 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.

By using CDX, rather than individual physical bonds to gain its exposure to credit, the Fund is designed to provide a more liquid and cost-effective solution for investors seeking exposure to high yield credit, but with limited interest rate risk.

The CDX.NA.HY Index is published by Markit and is composed of 100 liquid North American entities with high yield credit ratings that trade in the CDS market. Each entity in the index has equal or approximately equal weightings: the weighting of each entity is equal to 1/the number of entities in the index, expressed as a percentage to 3 decimal places. Determination of constituents will be based on the relevant rating of each entity: for example, the long term credit rating assigned by Standard & Poor's, Moody's or Fitch.

Markit refers to several criteria to select the 100 liquid North American entities: (i) the entity must not be a swap dealer, (ii) the entity must not be guaranteed or controlled by an affiliate that has a higher ranking on the liquidity list established by Markit on a continuous basis, (iii) the entity must not be otherwise ineligible due to the roll exclusions, and (iv) the entity must be rated maximum "BBB-".

The liquidity list aims to rank the liquidity of the entities by using the average weekly trading activity and will be based on the following criteria: (i) determining all entities for which single-name CDS are traded, (ii) assigned a maximum rating of "BBB-", and (iii) ranking the entities from the most liquid to the least liquid.

Further information on the CDX.NA.HY index, including information on the index calculation and rebalancing methodology, is available at [www.markit.com](http://www.markit.com), Markit CDX High Yield and Markit CDX Investment Grade Rules, [www.markit.com/Product/CDX](http://www.markit.com/Product/CDX). A new series of the index is produced every six months. There are minimal trading costs associated with new series and details can be found at [www.markit.com/Product/CDX](http://www.markit.com/Product/CDX).

The iTraxx Crossover index is published by Markit and is composed of up to 75 European entities which do not have investment grade credit ratings. Each entity in the index has equal or approximately equal weightings: the weighting of each entity is equal to 1/the number of entities in the index, expressed as a percentage to 3 decimal places. Determination of constituents is governed by the "Markit iTraxx Crossover General Criteria" which is published on the Markit website ([www.markit.com/Product/iTraxx](http://www.markit.com/Product/iTraxx)).

Markit refers to several criteria to select the 75 European entities: (i) the entity must not be a swap dealer, (ii) the entity must not be guaranteed or controlled by an affiliate that has a higher ranking on the liquidity list established by Markit on a continuous basis, (iii) the entity must not be otherwise ineligible due to the roll exclusions, and (iv) the entity must be rated maximum "BBB-".

The liquidity risk aims to rank the liquidity of the entities by using the average weekly trading activity and will be based on the following criteria: (i) incorporated in and classified as "Europe", meaning the EU and the European free trade association, (ii) trading activity greater than zero, and (iii) a maximum rating of "BBB-".

Further information on the iTraxx Crossover index, including information on the index calculation and rebalancing methodology, is available at [www.markit.com](http://www.markit.com), Markit iTraxx Europe Index Rules, [www.markit.com/Product/iTraxx](http://www.markit.com/Product/iTraxx). A new series of the index is produced every six months. There are minimal trading costs associated with new series and details can be found at: [www.markit.com/Product/iTraxx](http://www.markit.com/Product/iTraxx).

Derivatives on indices involve also specific risks. These risks relate specifically to market risks, management risk, counterparty risk, liquidity risk, the risk of mispricing or improper valuation of derivatives and the risk that derivatives may not correlate perfectly with underlying indices.

**Performance Comparator**

Composite index made of the two following indices:

- 2/3 CDX.NA.HY Index on the run contract
- 1/3 iTraxx Crossover Index on the run contract

**Profile of Typical Investor**

Typical investors may be retail, professional or institutional who are seeking to gain a combination of income and growth of capital from a portfolio of synthetic assets which provide high yield exposure but mitigate interest rate risk, 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 may be suitable for investors who have an investment time horizon of at least two years.

**Reference Currency**

US Dollar

**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**

The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 11%.

**Leverage**

The Fund's expected 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.

**Risk Warnings**

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Derivative Instruments
- Exposure Greater than the Net Asset Value
- Counterparty Risk
- Credit Risk

**Share Classes Available for Issue**

Share Classes	A	B	C	CI	J	JI	K	L	Z	ZI
Annual Management Charge (annual rate)	0.70%	1.20%	0.25%	0.25%	Up to 0.25%	Up to 0.25%	Nil	Upon agreement with the Management Company	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	1.25%	Nil	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.01%	0.05%	0.01%

Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
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- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

### 13. M&G (LUX) GLOBAL CONVERTIBLES FUND

<b>Fund Name</b>	M&G (Lux) Global Convertibles Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the global convertibles market over any five-year period.
<b>Investment Policy</b>	<p>The Fund invests at least 70% of its Net Asset Value in convertible securities denominated in any currency. Issuers of these securities may be located in any country, including emerging markets. Exposure to these securities may be achieved, either directly or indirectly, through various combinations of corporate bonds, equities and derivatives.</p> <p>The investment process of the Fund is based on a bottom-up, global approach to stock picking among convertibles based on a thorough analysis of the issuer's credit quality, equity fundamentals and the technical characteristics of the convertible.</p> <p>The Fund may also hold up to a maximum of 20% of its Net Asset Value in Contingent Convertible Debt Securities.</p> <p>Derivative instruments can be used to meet the Fund's investment objective, for efficient portfolio management and for the purposes of hedging. These derivative instruments may include, but are not limited to, Spot and Forward Contracts, Exchange Traded Futures, Options and Credit Default Swaps.</p> <p>The Fund may also invest in other assets including debt securities, equity securities, collective investment schemes<sup>21</sup>, cash and near cash, deposits and warrants.</p>
<b>Investment Approach</b>	<p>Convertible Bonds offer attractive risk adjusted returns by having the ability to participate in the equity upside whilst also benefiting from the downside protection features of bonds.</p> <p>The Investment Manager focuses on Convertible Bonds that provide the best risk-reward features in their view. For these convertible securities the potential gain from the option on the share price exceeds the potential loss from the share price falling back to the value of the bond.</p> <p>Risk is also managed by reducing the potential loss that the convertible might suffer if the share price of the company and the value of the embedded option declined markedly.</p> <p>For the Convertible Bond to provide downside protection the company's credit quality is also analysed and monitored.</p> <p>The Investment Manager has no set geographical guidelines or limits determined by macroeconomic or sector views.</p>
<b>Performance Comparator</b>	<p>Thomson Reuters Global Focus Convertible Index</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	The Fund is suitable for retail and Institutional Investors seeking to gain a combination of capital growth and income from a portfolio of mainly global

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<sup>21</sup> When the underlying collective investment scheme is managed by the Management Company (or an associate), the Management Company will reduce its Annual Management 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.

convertible assets, 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 may be suitable for investors who have an investment time horizon of at least five years.

<b>Reference Currency</b>	US Dollar
<b>Currency Hedged Share Classes</b>	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.
<b>Calculation of Global Exposure</b>	Absolute VaR
<b>Leverage</b>	The Fund's expected level of leverage under normal market conditions is 1.3% 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.
<b>Distribution Policy</b>	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.
<b>Initial Offer Period</b>	The Fund is not launched at the date of this Prospectus and will be launched following a decision by the Directors. The Prospectus will be amended accordingly.
<b>Risk Warnings</b>	Investors' attention is particularly drawn to the section entitled " <b>Risk Factors</b> " of the Prospectus and especially to the risk factors relating to: <ul style="list-style-type: none"> <li>▪ Risk to Capital &amp; Income Will Vary</li> <li>▪ Convertibles Risk</li> <li>▪ Credit Risk</li> <li>▪ Currency &amp; Exchange Rate Risk</li> <li>▪ Derivative instruments</li> <li>▪ Emerging Markets</li> <li>▪ Counterparty Risk</li> <li>▪ Liquidity Risk</li> <li>▪ Interest Rate Risk</li> <li>▪ Contingent Convertible Debt Securities</li> </ul>

### Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.50%	2.00%	0.75%	0.75%	Up to 0.75%	Up to 0.75%	Nil	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 14. M&G (LUX) GLOBAL CORPORATE BOND FUND

<b>Fund Name</b>	M&G (Lux) Global Corporate Bond Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the global investment grade corporate bond market over any five-year period.
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in investment grade corporate bonds denominated in any currency. 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.</p> <p>The Fund may also invest in high yield corporate bonds, government and public securities denominated in any currency. There are no credit quality restrictions with respect to the high yield debt securities in which the Fund may invest.</p> <p>The Fund uses an investment process that is based on both a top-down macroeconomic view and fundamental analysis of individual securities.</p> <p>The Fund may invest up to a combined maximum of 20% of the Fund's Net Asset Value in below investment grade and unrated securities.</p> <p>The Fund may hold up to a maximum of 20% of its Net Asset Value in Asset-Backed Securities and up to 20% of its Net Asset Value in Contingent Convertible Debt Securities.</p> <p>The Fund will typically invest directly. The Fund may also invest indirectly via derivative instruments to take both long and short positions to meet the Fund's investment objective, for efficient portfolio management and for the purpose of hedging. These instruments may include, but are not limited to, Spot and Forward Contracts, Exchanged Traded Futures, Credit Default Swaps and Interest Rate Swaps.</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>22</sup>, cash and near cash, deposits and warrants and other debt securities.</p>
<b>Investment Approach</b>	The Investment Manager considers macroeconomic, asset class, sector, geographic and individual credit-level factors. A dynamic investment approach combining top-down and bottom-up stock selection is followed, allowing the Investment Manager to change the blend of duration and credit exposure based on the outlook for bond markets. 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.
<b>Performance Comparator</b>	<p>Bloomberg Barclays Global Aggregate Corporate Index USD Hedged</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	The Fund is suitable for retail and Institutional Investors seeking a total return from a portfolio of global fixed income investments 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.

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<sup>22</sup> 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 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 each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund may be suitable for investors who have an investment time horizon of at least five years.

**Reference Currency** US Dollar

**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 level of leverage under normal market conditions is 78.8% 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.

**Risk Warnings** Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Credit Risk
- Interest Rate Risk
- Derivatives Instruments
- Liquidity Risk
- Counterparty Risk
- Emerging Markets
- Contingent Convertible Debt Securities
- Securitised Bonds
- Short Sales

### Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.00%	1.50%	0.50%	0.50%	Up to 0.50%	Up to 0.50%	Nil	Nil	Nil
Initial Charge	4.00%	N/A	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	N/A	N/A	N/A	N/A	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax (Taxe d'abonnement)	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**



## 15. M&G (LUX) GLOBAL DIVIDEND FUND

<b>Fund Name</b>	M&G (Lux) Global Dividend Fund.
<b>Launch Date</b>	20 September 2018
<b>Investment Objective</b>	<p>The Fund has two aims:</p> <ul style="list-style-type: none"><li>▪ To deliver a higher total return (the combination of capital growth and income) than that of the global equities markets over any five-year period and;</li><li>▪ To deliver an income stream that increases every year in US Dollar terms.</li></ul>
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities of companies across any sector and market capitalisation that are domiciled in any country, including emerging markets. The Fund usually holds fewer than 50 stocks.</p> <p>The investment manager seeks to invest in companies with excellent capital discipline and the potential for long-term dividend growth. The Investment Manager believes rising dividends create upward pressure on the value of shares.</p> <p>The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>23</sup>, cash and near cash, deposits and warrants.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
<b>Investment Approach</b>	<p>The Fund employs a bottom-up stock picking approach, driven by the fundamental analysis of individual companies. Dividend yield is not the primary consideration for stock selection.</p> <p>The Investment Manager aims to create a diversified portfolio with exposure to a broad range of countries and sectors. Stocks with different drivers of dividend growth are selected to construct a portfolio that has the potential to cope in a variety of market conditions.</p>
<b>Performance Comparator</b>	<p>MSCI ACWI Net Return Index</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	<p>The Fund is suitable 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.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least five years.</p>

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<sup>23</sup> When the underlying collective investment scheme is managed by the Management Company (or an associate), the Management Company will reduce its Annual Management 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.

**Reference Currency** US Dollar

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

**Risk Warnings** Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Currency & Exchange Rate Risk
- Concentrated Portfolios
- Emerging Markets
- Funds Investing In Smaller Companies
- Liquidity Risk
- Counterparty Risk
- Investments in China

### Share Classes Available for Issue

Share Classes	A	B	C	CI	G	GI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.75%	2.25%	0.75%	0.75%	1.00%	1.00%	Up to 0.75%	Up to 0.75%	Nil	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	Nil	Nil	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 16. M&G (LUX) GLOBAL EMERGING MARKETS FUND

<b>Fund Name</b>	M&G (Lux) Global Emerging Markets Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the global emerging markets equity market over any five-year period.
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities of companies domiciled in, or conducting the major part of their economic activity in, emerging market countries<sup>24</sup>.</p> <p>The investment process of the Fund is based on the fundamental analysis of companies with a specific focus on their return on capital profile, their corporate governance practices and the valuation of the shares.</p> <p>The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>25</sup>, cash and near cash, deposits and warrants.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
<b>Investment Approach</b>	<p>The Fund employs a bottom-up stock picking approach to identify companies whose long-term prospects are, in the Investment Manager's opinion, being undervalued. The Fund's approach incorporates three elements: return on capital, valuations and corporate governance.</p> <p>It is the core belief of the Investment Manager that company-specific 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.</p>
<b>Performance Comparator</b>	<p>MSCI Emerging Markets Net Return Index</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	<p>The Fund may be suitable for retail and Institutional Investors seeking to gain a combination of capital growth and income through exposure to emerging markets, 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.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least five years.</p>
<b>Reference Currency</b>	US Dollar

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<sup>24</sup> The Investment Manager has the discretion to identify the countries that it considers to qualify as emerging markets although these will typically be those included within the MSCI Emerging Markets index and/or those included in the World Bank definition of developing economies as updated from time to time.

<sup>25</sup> 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 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.

**Currency Hedged Share Classes** Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.

**Distribution Policy** If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

**Risk Warnings** Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Emerging Markets
- Currency & Exchange Rate Risk
- Liquidity Risk
- Funds Investing In A Specific Asset Class, Region or Sector
- Funds Investing In Smaller Companies
- Investments in China
- Counterparty Risk

### Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.75%	2.25%	0.75%	0.75%	Up to 0.75%	Up to 0.75%	Nil	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 17. M&G (LUX) GLOBAL FLOATING RATE HIGH YIELD FUND

<b>Fund Name</b>	M&G (Lux) Global Floating Rate High Yield Fund
<b>Launch Date</b>	13 September
<b>Investment Objective</b>	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.
<b>Investment Policy</b>	<p>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.</p> <p>The investment process of the Fund is based on the bottom-up analysis of individual bond issues whilst remaining aware of macroeconomics developments.</p> <p>In addition to high yield securities, the Fund may invest in unrated debt securities up to a combined maximum of 100% of the Fund's Net Asset Value. There are no credit quality restrictions with respect to the high yield debt securities in which the Fund may invest.</p> <p>The Fund may hold up to a maximum of 20% of its Net Asset Value in Asset-Backed Securities and up to a maximum of 20% of its Net Asset Value in Contingent Convertible Debt Securities.</p> <p>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.</p> <p>The Fund may also invest in other assets including, collective investment schemes<sup>26</sup>, cash and near cash, deposits, equities, warrants and other debt securities.</p>
<b>Investment Approach</b>	<p>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.</p> <p>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)</p> <p>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.</p> <p>The Investment Manager has the flexibility to adjust the Fund's credit exposure, sector positioning and regional allocations depending on the</p>

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<sup>26</sup> When the underlying collective investment scheme is managed by the Management Company (or an associate), the Management Company will reduce its Annual Management 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.

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.

**Performance Comparator**

BofA Merrill Lynch Global Floating Rate High Yield Index (3% constrained) USD Hedged

The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.

**Profile of Typical Investor**

The Fund is suitable 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 may be suitable for investors who have an investment time horizon of at least five years.

**Reference Currency**

US Dollar

**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 level of leverage under normal market conditions is 86.4% 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.

**Risk Warnings**

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Credit Risk
- Liquidity Risk
- Derivative Instruments
- Counterparty Risk
- Emerging Markets
- Securitised Bonds
- Contingent Convertibles Debt Securities
- Short Sales

## Share Classes Available for Issue

Share Classes	A	B	C	CI	K	Z	ZI
Annual Management Charge (annual rate)	1.25%	1.75%	0.65%	0.65%	Nil	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 18. M&G (LUX) GLOBAL HIGH YIELD BOND FUND

<b>Fund Name</b>	M&G (Lux) Global High Yield Bond Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the global high yield bond market over any five-year period.
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in high yield bonds issued by companies denominated in any currency. The Fund does not take any currency views and aims to hedge any non-USD assets to USD. Issuers of these securities may be located in any country, including emerging markets.</p> <p>The investment process of the Fund is based on the bottom-up analysis of individual bond issues whilst remaining aware of macroeconomics developments.</p> <p>In addition to high yield securities, the Fund may invest in unrated debt securities up to a combined maximum of 100% of the Fund's Net Asset Value. There are no credit quality restrictions with respect to the high yield debt securities in which the Fund may invest. The Fund may hold up to a maximum of 20% of its Net Asset Value in Asset-Backed Securities and to a maximum of 20% of its Net Asset Value in Contingent Convertibles Debt Securities.</p> <p>The Fund will typically invest directly. The Fund may also invest indirectly via derivative instruments to take both long and short positions to meet the Fund's investment objective, for efficient portfolio management and for the purpose of hedging. These instruments may include, but are not limited to Spot and Forward Contracts, Exchange Traded Futures, Credit Default Swaps, Interest Rate Swaps and Total Return Swaps.</p> <p>The Fund may also invest in other assets including, collective investment schemes<sup>27</sup>, cash and near cash, deposits, equities, warrants and other debt securities.</p>
<b>Investment Approach</b>	<p>The Fund is globally diversified and the Investment Manager seeks to provide exposure to a broad range of individual issuers across a variety of industrial sectors.</p> <p>The Investment Manager has the flexibility to adjust the Fund's credit exposure, sector positioning and regional allocations depending on the assessment of current market valuations and the macroeconomic environment, including the likely path of economic growth, inflation and interest rates.</p> <p>Individual credit selection is carried out in conjunction with the in-house team of credit analysts, which provides bottom-up analysis of the corporate bond markets to complement the Investment Manager's views.</p>
<b>Performance Comparator</b>	<p>BofA Merrill Lynch Global High Yield Index USD Hedged</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	The Fund is suitable 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

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<sup>27</sup> 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 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.



derivatives giving such exposure), 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 may be suitable for investors who have an investment time horizon of at least five years.

<b>Reference Currency</b>	US Dollar
<b>Currency Hedged Share Classes</b>	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.
<b>Calculation of Global Exposure</b>	Absolute VaR
<b>Leverage</b>	<p>The Fund's expected level of leverage under normal market conditions is 42.6% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Distribution Policy</b>	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a monthly basis.
<b>Risk Warnings</b>	<p>Investors' attention is particularly drawn to the section entitled "<b>Risk Factors</b>" of the Prospectus and especially to the risk factors relating to:</p> <ul style="list-style-type: none"> <li>▪ Risk to Capital &amp; Income Will Vary</li> <li>▪ Credit Risk</li> <li>▪ Interest Rate Risk</li> <li>▪ Derivatives Instruments</li> <li>▪ Emerging Markets</li> <li>▪ Contingent Convertible Debt Securities</li> <li>▪ Securitised Bonds</li> <li>▪ Liquidity Risk</li> <li>▪ Counterparty Risk</li> <li>▪ Short Sales</li> </ul>

#### Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	L	LI	Z	ZI
Annual Management Charge (annual rate)	1.25%	1.75%	0.65%	0.65%	Up to 0.65%	Up to 0.65%	Nil	0.40%	0.40%	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	1.25%	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- L and LI Shares will have a Minimum Subscription amount of 20 million and a Minimum Subsequent Subscription amount of 50,000 in EUR or in equivalent amounts in alternative currencies.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 19. M&G (LUX) GLOBAL HIGH YIELD BOND 2023 FUND

<b>Fund Name</b>	M&G (Lux) Global High Yield Bond 2023 Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	The Fund will seek to preserve capital over the five year term of the product and aims to provide investors with an annual distribution of between 2% and 3% of their original investment, over that period.
<b>Investment Policy</b>	<p>The Fund will invest at least 70% of its Net Asset Value in sub investment grade bonds issued by companies. These may be issued anywhere in the world, including emerging markets and denominated in any currency; however currency exposures within the Fund will be fully hedged back to Euro. In view of the term of the Fund, maturity dates of the bonds will be 5 years or less.</p> <p>The Fund will be established for a period of 5 years after the Initial Offer Period, during which time no further subscriptions will be allowed. Investors who remain invested until maturity will be redeemed at this point without any redemption charge, however investors who redeem prior to maturity will be subject to a regressive redemption charge<sup>28</sup>.</p> <p>The bonds that the Fund may invest in include the following:</p> <ul style="list-style-type: none"><li>▪ Up to 100% of the Fund's Net Asset Value in Bonds which are rated sub investment grade by a recognised rating agency</li><li>▪ Bonds which are rated investment grade by a recognised rating agency, bonds issued or guaranteed by companies, governments, local authorities, government agencies or certain public international bodies, bonds from issuers located in emerging markets</li><li>▪ Asset-Backed Securities, subject to a maximum of 20% of the Fund's Net Asset Value</li></ul> <p>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, and Credit Default Swaps.</p> <p>In the period leading up to maturity, and in order to fund the return of capital to investors, the Fund may hold temporarily high levels of cash and near cash. The Fund may also invest in other deposits, equities and warrants which may be issued anywhere in the world and denominated in any currency.</p>
<b>Investment Approach</b>	<p>The Investment Manager's approach concentrates on bottom-up analysis of individual bond issues whilst remaining aware of macroeconomic developments. The Fund predominantly adopts a buy and maintain strategy, whereby the majority of the bond issues are expected to be held until maturity. Bond maturity within the portfolio will be matched accordingly.</p> <p>Proprietary fundamental credit research is at the heart of the investment process, with the Investment Manager able to draw on the expertise of internal credit analyst teams based in London and Chicago. Credit risk is constantly monitored and always well diversified across individual issuers.</p>
<b>Performance Comparator</b>	Not applicable
<b>Duration</b>	The Fund is established for a duration of five years from the launch date.

<sup>28</sup> See table below headed "Redemption Charge schedule".

## Product Structure

The Fund will have an Initial Offer Period of 2 months when investors can make subscriptions. No further subscriptions can be made after the Initial Offer Period. Shareholders may apply for redemption of all or any of their Shares on the Dealing Day of the Fund.

Note that for redemptions prior to maturity a redemption charge will apply as detailed below.

### Initial Offer Period

The Fund is not launched at the date of this Prospectus and will be launched following a decision by the Directors. The Prospectus will be amended accordingly.

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.

The Directors have established EUR50m as an indicative minimum subscription level for the sub-fund, below which the sub-fund will not be launched.

The Directors may determine, in their sole and absolute discretion, taking into account the best interests of Shareholders, that bond yields at the end of the Initial Offer Period have fallen to a level which renders the investment objective unachievable. 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.

Shares will not be available for issue following the Initial Offer Period.

### Investment period

During the investment period the Fund will be run in accordance with the Fund objective investment policy. In the event of significant investor redemptions during the investment period, the Board of Directors reserves the right to close the Fund before the scheduled maturity date subject to the net assets of the Fund falling below EUR50m.

### Maturity

Shares will be redeemed at the end of the Fund's term of five years following launch date. Nonetheless, and where it is in the interest of the Fund's Shareholders, the Board of the Directors may decide to reduce or extend the maturity of the Fund for up to three months. Shareholders will receive a notice advising them of the Board of Directors' decision in this respect and will be given the possibility to redeem their Shares free of charge if they do not agree.

## Profile of Typical Investor

Typical investors may be retail, professional or institutional who are looking for income and capital preservation 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 five years and are therefore prepared to remain invested until the Fund's maturity.

## Calculation of Global Exposure

Absolute VaR

## Leverage

The Fund's expected level of leverage under normal market conditions is 100% of the Fund's Net Asset Value when calculated in accordance with the sum of notional 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.

<b>Reference Currency</b>	Euro
<b>Dealing Day</b>	Shares are not available for subscription after the Initial Offer Period and therefore after launch of the Fund. All Dealing Days after the first Dealing Day will be for redemption requests only, and will be every Business Day.
<b>Redemptions</b>	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.
<b>Dealing Request Deadline</b>	13.00 hours (Luxembourg time) on each Dealing Day. Redemption requests may be placed on each Business Day (up to the Dealing Request Deadline).
<b>Distribution Policy</b>	<p>Distribution Shares only will be issued.</p> <p>If declared, unless other specified for a Share Class, the Fund will pay dividends on an annual basis.</p>
<b>Switches</b>	Switches will not be allowed from other Funds into this Fund, or out of this Fund into other Funds.
<b>Fees and Expenses</b>	<p>Unlike what is described in the section 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 the Fund. Such charge will be calculated and taken into account daily ("Single Charge").</p> <p>The Single Charge will be 1.07% and will include: (1) Depositary's Fees, (2) Custody Charges and Custody Transaction Charges, (3) Paying Agents' Fees, (4) Administration Fees, (5) Directors' Fees, (6) Service Provider Fees, and (7) Other Expenses. It includes the <i>taxe d'abonnement</i> but it excludes portfolio transaction costs, and any initial charge or redemption charge. Portfolio transaction costs include dealing spread, broker commissions, transfer taxes and stamp duty incurred by the Company on the Fund's transactions.</p> <p>The Fund may bear 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.</p> <p>For Class Z and ZI Shares, the single charge will be administratively levied and collected directly from the investor by the Management Company.</p>
<b>Risk Warnings</b>	<p>Investors' attention is particularly drawn to the section entitled "<b>Risk Factors</b>" of the Prospectus and especially to the risk factors relating to:</p> <ul style="list-style-type: none"><li>▪ Risk to Capital &amp; Income Will Vary</li><li>▪ Derivative Instruments</li><li>▪ Credit Risk</li><li>▪ Counterparty Risk</li><li>▪ Interest Rate Risk</li><li>▪ Redemption Charge</li><li>▪ Emerging Markets Risk</li></ul>

## Share Classes Available for Issue

Share Classes	P	J	JI	Z	ZI
Single Charge (annual rate)	1.07%	Up to 1.07%	Up to 1.07%	Nil	Nil
Initial Charge	0.00%	0.00%	0.00%	0.00%	0.00%
Redemption Charge	See the schedule below	See the schedule below	See the schedule below	See the schedule below	See the schedule below

- Investors should refer to the section of the Prospectus headed **"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.
- Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 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
Redemption Charge	4.5%	3.5%	2.5%	1.5%	0.5%

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

## 20. M&G (LUX) GLOBAL HIGH YIELD ESG BOND FUND

<b>Fund Name</b>	M&G (Lux) Global High Yield ESG Bond Fund
<b>Launch Date</b>	5 October 2017
<b>Investment Objective</b>	The Fund aims to provide capital growth and income while considering environmental, social and governance ( <b>ESG</b> ) factors, and seeks to achieve a higher ESG rating than the global high yield market.
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in high yield bonds issued by companies denominated in any currency. The Fund does not take currency views and aims to hedge any non-USD assets to USD. Issuers of these securities may be located in any country, including emerging markets.</p> <p>There are no credit quality restrictions with respect to the high yield debt securities in which the Fund may invest.</p> <p>The investment process of the Fund is based on the bottom-up analysis of individual bond issues whilst remaining aware of the macroeconomic environment.</p> <p>Environmental, social and governance (ESG) considerations are fully integrated in the investment process via the use of third party ESG information and analysis and proprietary assessment of ESG characteristics.</p> <p>Companies that are assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment and anti-corruption are also excluded from the investment universe.</p> <p>In addition, a screen is applied which seeks to filter out companies that derive revenue of more than 5% for producers, and 10% for distributors, from the following sectors and sub-sectors: tobacco, alcohol, adult entertainment, gambling or thermal coal. In addition, and on a best-effort basis, subject to source information, companies that derive any revenue from defence and weapons are excluded.</p> <p>Finally, the Fund excludes holdings which have below average ESG industry-adjusted ratings based on third party ESG ratings and proprietary information. , To a limited extent the Fund may invest in securities that have not yet been ESG rated.</p> <p>The Fund may invest up to a combined maximum of 100% of the Fund's Net Asset Value in high yield and unrated securities.</p> <p>The Fund may hold up to a maximum of 20% of its Net Asset value in Asset-backed Securities and up to a maximum of 20% of its Net Asset value in Contingent Convertible Debt Securities.</p> <p>The Fund may invest indirectly via derivative instruments to take 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 and Interest Rate Swaps.</p> <p>The Fund may also invest in other assets including, collective investment schemes<sup>29</sup>, cash and near cash, deposits, equities, warrants and other debt securities.</p>

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<sup>29</sup> 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 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.

<b>Investment Approach</b>	<p>The Fund is globally diversified and the Investment Manager seeks to provide exposure to a broad range of individual issuers across a variety of sectors.</p> <p>The Investment Manager has the flexibility to adjust the Fund's credit exposure, sector positioning and regional allocations depending on the assessment of current market valuations and the macroeconomic environment, including the likely path of economic growth, inflation and interest rates.</p> <p>Individual credit selection is carried out in conjunction with the in-house team of credit analysts, which provides bottom-up analysis of the corporate bond markets to complement the Investment Manager's views.</p>
<b>Performance Comparator</b>	<p>BofA Merrill Lynch Global High Yield Index USD Hedged</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	<p>The Fund is suitable for retail and Institutional Investors seeking a combination of capital growth with a high level of income, from a portfolio of predominantly higher yielding corporate debt (or derivatives giving such exposure) where ESG factors have been incorporated in the investment process.</p> <p>Suitable investors should appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least five years.</p>
<b>Reference Currency</b>	<p>US Dollar</p>
<b>Currency Hedged Share Classes</b>	<p>Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.</p>
<b>Calculation of Global Exposure</b>	<p>The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 12%.</p>
<b>Leverage</b>	<p>The Fund's expected level of leverage under normal market conditions is 96% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Distribution Policy</b>	<p>If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.</p>
<b>Risk Warnings</b>	<p>Investors' attention is particularly drawn to the section entitled "<b>Risk Factors</b>" of the Prospectus and especially to the risk factors relating to:</p> <ul style="list-style-type: none"> <li>▪ Risk to Capital &amp; Income Will Vary</li> <li>▪ Credit Risk</li> <li>▪ Interest Rate Risk</li> <li>▪ Derivatives Instruments</li> <li>▪ Emerging Markets</li> <li>▪ Contingent Convertible Debt Securities</li> <li>▪ Securitised Bonds</li> <li>▪ Liquidity Risk</li> <li>▪ Counterparty Risk</li> <li>▪ Short Sales</li> </ul>



## Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	L	LI	Z	ZI
Annual Management Charge (annual rate)	1.25%	1.75%	0.65%	0.65%	Up to 0.65%	Up to 0.65%	Nil	0.40%	0.40%	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	1.25%	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- L and LI Shares will have a Minimum Subscription amount of 20 million and a Minimum Subsequent Subscription amount of 50,000 in EUR or in equivalent amounts in alternative currencies.
- Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 21. M&G (LUX) GLOBAL LISTED INFRASTRUCTURE FUND

<b>Fund Name</b>	M&G (Lux) Global Listed Infrastructure Fund
<b>Launch Date</b>	5 October 2017
<b>Investment Objective</b>	<p>The Fund has two aims:</p> <ul style="list-style-type: none"><li>▪ 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 and;</li><li>▪ To deliver an income stream that increases every year in US Dollar terms.</li></ul>
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in the eligible publicly-listed equity securities 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.</p> <p>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 Convertibles 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.</p> <p>The Investment Manager seeks to invest in companies with excellent capital discipline and the potential for long-term dividend growth. The Investment Manager believes rising dividends create upward pressure on the value of shares.</p> <p>Sustainability considerations play an important role in assessing business models. Companies that derive more than 30% of their revenue from coal-fired and nuclear power are excluded from the investment universe. Industries such as tobacco, alcohol, adult entertainment, gambling and controversial weapons are also excluded. United Nations Global Compact principles on human rights, labour, environmental and anti-corruption are also considered in the analysis of companies.</p> <p>The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>30</sup>, other transferable securities, cash and near cash, deposits and warrants. The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
<b>Investment Approach</b>	<p>The Fund employs a bottom-up stock picking approach, driven by the fundamental analysis of individual companies. Dividend yield is not the primary consideration for stock selection.</p> <p>The Investment Manager aims to create a diversified portfolio with exposure to a broad range of countries and sectors. Stocks with different drivers of dividend growth are selected to construct a portfolio that has the potential to cope in a variety of market conditions.</p> <p>Sustainability considerations encompassing Environmental, Social and</p>

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<sup>30</sup> 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 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.

Governance issues are fully integrated into the investment process with a focus on risks specific to infrastructure companies. The monitoring of these risks involves regular engagement with company management.

**Performance  
Comparator**

MSCI ACWI Net Return Index

The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.

**Profile of Typical  
Investor**

The Fund is suitable 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, 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 may be suitable for investors who have an investment time horizon of at least five years.

**Reference Currency**

US Dollar

**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.

**Reference Currency**

US Dollar

**Distribution Policy**

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

**Risk Warnings**

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Currency & Exchange Rate Risk
- Concentrated Portfolios
- Emerging Markets
- Funds Investing In A Specific Asset Class, Region or Sector
- Funds Investing In Smaller Companies
- Liquidity Risk
- Counterparty Risk
- Convertibles Risk
- Investments in China

## Share Classes Available for Issue

Share Classes	A	B	C	CI	L	LI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.75%	2.25%	0.75%	0.75%	0.50%	0.50%	Up to 0.75%	Up to 0.75%	Nil	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- L and LI Shares will have a Minimum Subscription amount of 20 million and a Minimum Subsequent Subscription amount of 50,000 in EUR or in equivalent amounts in alternative currencies.
- Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 22. M&G (LUX) GLOBAL MACRO BOND FUND

<b>Fund Name</b>	M&G (Lux) Global Macro Bond Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the global bond market over any five-year period.
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in debt securities, including investment grade bonds, high yield bonds, unrated securities and Asset-Backed Securities. These securities may be issued by governments and their agencies, public authorities, quasi-sovereigns, supranational bodies and companies. Issuers of these securities may be located in any country, including emerging markets and denominated in any currency.</p> <p>The Fund may invest up to a combined maximum of 100% of the Fund's Net Asset Value in high yield and unrated securities.</p> <p>The Fund may hold up to a maximum of 20% of its Net Asset Value in Contingent Convertibles Debt Securities and up to 100% of its Net Asset Value in Asset-Backed Securities.</p> <p>There are no credit quality restrictions with respect to the high yield debt securities in which the Fund may invest.</p> <p>The Fund may invest in Asset-Backed Securities, including mortgage-backed securities (commercial, agency residential, prime residential, non-prime residential), cash collateralised debt obligation, cash collateralised loan obligation, auto prime, auto subprime, consumer loan, credit card, student loan, aircraft loan/lease, equipment lease, small business loan/lease, whole business securitisation, single family rentals and other securitised assets.</p> <p>The Fund is a flexible bond fund that allows investment across a broad range of fixed income assets according to where the Investment Manager finds value. The Investment Manager also seeks to add value through active management of the Fund's exposure to global currencies. The Investment process of the Fund is based on macroeconomic research to identify global investment themes and opportunities.</p> <p>The Fund will typically invest directly. The Fund may also invest indirectly via derivative instruments to take both long and short positions and to gain exposure to investments exceeding the Net Asset Value of the Fund in order to increase potential returns in both rising and falling markets. Derivative instruments can be used to meet the Fund's investment objective, for efficient portfolio management and for the purpose of hedging. These instruments may include, but are not limited to, Spot and Forward Contracts, Exchange Traded Futures, Options, Credit Default Swaps, Interest Rate Swaps, Total Return Swaps and Credit Linked Notes.</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>31</sup>, cash and near cash, deposits, warrants and other debt instruments.</p>

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<sup>31</sup> 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 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.

<b>Investment Approach</b>	<p>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.</p> <p>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.</p>
<b>Performance Comparator</b>	<p>Bloomberg Barclays Global Aggregate Index</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	<p>The Fund is suitable 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, 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.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least five years.</p>
<b>Reference Currency</b>	<p>US Dollar</p>
<b>Currency Hedged Share Classes</b>	<p>Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.</p>
<b>Calculation of Global Exposure</b>	<p>Absolute VaR</p>
<b>Leverage</b>	<p>The Fund's expected level of leverage under normal market conditions is 89.2% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Distribution Policy</b>	<p>If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.</p>
<b>Risk Warnings</b>	<p>Investors' attention is particularly drawn to the section entitled "<b>Risk Factors</b>" of the Prospectus and especially to the risk factors relating to:</p> <ul style="list-style-type: none"> <li>▪ Risk to Capital &amp; Income Will Vary</li> <li>▪ Credit Risk</li> <li>▪ Interest Rate Risk</li> <li>▪ Derivatives Risk</li> <li>▪ Contingent Convertible Debt Securities</li> <li>▪ Securitised Bonds</li> <li>▪ Exposure Greater than Net Asset Value</li> <li>▪ Counterparty Risk</li> <li>▪ Liquidity Risk</li> <li>▪ Emerging Markets</li> <li>▪ Short Sales</li> <li>▪ Negative Duration</li> </ul>

## Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.25%	1.75%	0.65%	0.65%	Up to 0.65%	Up to 0.65%	Nil	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 23. M&G (LUX) GLOBAL RECOVERY FUND

<b>Fund Name</b>	M&G (Lux) Global Recovery Fund
<b>Launch Date</b>	18 July 2018
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the global equities market over any five-year period.
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities of companies across any sector and market capitalisation that are domiciled in any country, including emerging markets.</p> <p>The Investment Manager seeks to invest in companies that are out of favour with the market or whose future prospects are not fully recognised by the market at the time of investment.</p> <p>The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>32</sup>, cash and near cash, deposits and warrants.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
<b>Investment Approach</b>	<p>The Fund employs a bottom-up, stock picking approach to investment.</p> <p>Recovery investing focuses on companies that have experienced difficulties but have the potential to deliver returns for shareholders through their turnaround over the long term.</p> <p>The Fund looks to benefit from the market's inefficiency in valuing companies going through short-term challenges. This enables the Investment Manager to identify companies whose long-term prospects have been under-appreciated by the market.</p> <p>This approach means the Investment Manager is prepared to take a contrarian view and consider areas that are out of favour with other investors. To take this contrarian view, the Investment Manager focuses on company management, their turnaround strategy and the businesses' ability to generate cash flow.</p> <p>The Investment Manager expects the return of the portfolio to be driven by individual cases of companies recovering rather than individual sectors, geographies and the global macroeconomic environment.</p>
<b>Performance Comparator</b>	<p>MSCI ACWI Net Return Index</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	The Fund is suitable 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, but who appreciate that this is not guaranteed and that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.

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<sup>32</sup> 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 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 each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.

This Fund may be suitable for investors who have an investment time horizon of at least five years.

**Reference Currency** US Dollar

**Distribution Policy** If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

**Risk Warnings** Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Emerging Markets
- Currency & Exchange Rate Risk
- Funds Investing In Smaller Companies
- Liquidity Risk
- Counterparty Risk
- Investments in China

### Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	L	LI	Z	ZI
Annual Management Charge (annual rate)	1.75%	2.25%	0.75%	0.75%	Up to 0.75%	Up to 0.75%	Nil	0.50%	0.50%	Nil	Nil
Initial Charge	5.00%	Nil	3.25%	1.25%	3.25%	Nil	Nil	1.25%	1.25%	3.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- L and LI Shares will have a Minimum Subscription amount of 20 million and a Minimum Subsequent Subscription amount of 50,000 in EUR or in equivalent amounts in alternative currencies.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 24. M&G (LUX) GLOBAL SELECT FUND

<b>Fund Name</b>	M&G (Lux) Global Select Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the global equities market over any five-year period.
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities of companies across any sector and market capitalisation that are domiciled in any country, including emerging markets. The Fund usually holds fewer than 40 stocks.</p> <p>The Fund uses an investment process that is based on the fundamental analysis of competitively advantaged companies with sustainable business models.</p> <p>Sustainability considerations play an important role in determining the investment universe and assessing business models. Companies that are assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment and anti-corruption are excluded from the investment universe. Industries such as tobacco and controversial weapons are also excluded.</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>33</sup>, cash and near cash, deposits and warrants.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
<b>Investment Approach</b>	<p>The Fund is a focused core global equity fund, making long-term investments in companies with sustainable business models and competitively advantageous characteristics to protect their profitability. Importantly, the Investment Manager invests in businesses where short-term issues have provided a clear valuation opportunity.</p> <p>Sustainability considerations are fully integrated into the investment process.</p> <p>The Investment Manager believes that this approach offers a powerful combination, providing the long-term compounded value of quality businesses, as well as the potential boost to a company's share price when a short-term issue has been resolved.</p>
<b>Performance Comparator</b>	<p>MSCI World Net Return Index</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	<p>The Fund is suitable 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, but who appreciate that this is not guaranteed and that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p>

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<sup>33</sup> 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 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.

This Fund may be suitable for investors who have an investment time horizon of at least five years.

**Reference Currency** US Dollar

**Distribution Policy** If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

**Risk Warnings** Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Emerging Markets
- Currency & Exchange Rate Risk
- Concentrated Portfolios
- Funds Investing In Smaller Companies
- Liquidity Risk
- Counterparty Risk

### Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.75%	2.25%	0.75%	0.75%	Up to 0.75%	Up to 0.75%	Nil	Nil	Nil
Initial Charge	5.00%	Nil	3.25%	1.25%	3.25%	Nil	Nil	3.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- • Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 25. M&G (LUX) GLOBAL TARGET RETURN FUND

<b>Fund Name</b>	M&G (Lux) Global Target Return Fund
<b>Launch Date</b>	21 December 2016
<b>Investment Objective</b>	<p>The Fund aims to achieve a total return (the combination of income and capital growth) of at least cash* plus 4% a year, before any charges<sup>34</sup> are taken, in any market conditions and over any three-year period.</p> <p>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 4%.</p> <p>*As based on 3-month Euribor, the rate at which banks borrow money from each other.</p>
<b>Investment Policy</b>	<p>The Fund has a highly flexible investment approach with the freedom to invest in different types of investment assets issued anywhere in the world.</p> <p>The Fund will primarily invest in the following asset classes: bonds, shares, currencies, cash, near cash and deposits. The Fund will mostly gain exposure to these assets by investing through derivative instruments, but may also invest directly. The Fund may also invest through other collective investment schemes<sup>35</sup>.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>The bonds that the Fund may invest in include the following:</p> <ul style="list-style-type: none"><li>▪ 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;</li><li>▪ Bonds which are rated above investment grade by a recognised rating agency;</li><li>▪ A maximum of 60% of the Fund's Net Asset Value combined in unrated bonds and sub-investment grade bonds;</li><li>▪ A maximum of 20% of the Fund's Net Asset Value in Contingent Convertible Debt Securities; and</li><li>▪ A maximum of 10% of the Fund's Net Asset Value in Asset-Backed Securities.</li></ul> <p>The Fund may also invest in other deposits and warrants which may be issued</p>

<sup>34</sup> Please refer to section entitled "Fees and Expenses".

<sup>35</sup> When the underlying collective investment scheme is managed by the Management Company (or an associate), the Management Company will reduce its Annual Management 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.

anywhere in the world and denominated in any currency.

## **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 instruments 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%.

## **Performance Comparator**

3-month Euribor plus 4%

## **Profile of Typical Investor**

Typical investors may be retail, professional or institutional 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 may be suitable for investors who have an investment time horizon of at least three years.

## **Reference Currency**

Euro

## **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**

The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 6%.

## **Leverage**

The Fund's expected level of leverage under normal market conditions is 385% 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.

## Risk Warnings

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Derivative Instruments
- Short Sales
- Currency & Exchange Rate Risk
- Counterparty Risk
- Contingent Convertible Debt Securities
- Exposure Greater than Net Asset Value

## Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.25%	1.75%	0.50%	0.50%	Up to 0.50%	Up to 0.50%	Nil	Nil	Nil
Initial Charge	1.25%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 26. M&G (LUX) GLOBAL THEMES FUND

<b>Fund Name</b>	M&G (Lux) Global Themes Fund.
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the global equities market over any rolling five-year period.
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities of companies across any sector and market capitalisation that are domiciled in any country, including emerging markets.</p> <p>The Fund uses an investment process that combines top-down and bottom-up analysis. The Investment Manager aims to identify themes arising from long-term structural shifts, changes or trends. Stocks are then selected on the basis of their quality, growth and valuation.</p> <p>The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.</p> <p>The Fund may also invest in other assets including collective investment schemes, cash and near cash, deposits and warrants.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
<b>Investment Approach</b>	<p>Themes are identified through analysis of global macroeconomics, demographics, government policies and spending, and technological innovation, among other considerations.</p> <p>The bottom-up stock selection process is designed to identify well-run companies which can benefit from those themes and which are trading on attractive valuations with good, sustainable growth prospects.</p>
<b>Performance Comparator</b>	<p>MSCI ACWI Net Return Index</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	<p>The Fund is suitable 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, but who appreciate that this is not guaranteed and that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least five years.</p>
<b>Reference Currency</b>	US Dollar
<b>Distribution Policy</b>	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

## Risk Warnings

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Currency & Exchange Rate Risk
- Emerging Markets
- Funds Investing In A Specific Asset Class, Region or Sector
- Liquidity Risk
- Counterparty Risk
- Funds Investing In Smaller Companies
- Investments in China

## Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.75%	2.25%	0.75%	0.75%	Up to 0.75%	Up to 0.75%	Nil	Nil	Nil
Initial Charge	5.00%	Nil	3.25%	1.25%	3.25%	Nil	Nil	3.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**



## 27. M&G (LUX) INCOME ALLOCATION FUND

**Fund Name** 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.

**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 typically invest in income-generating assets from the following asset classes: fixed income securities, equities, cash and deposits. The Fund can also invest in currencies, near cash and warrants. 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. The Fund may also invest indirectly through other collective investment schemes<sup>36</sup>, and via derivatives. 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.

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

The Fund will normally invest within the following net allocation ranges: 40-80% in fixed income, 10-50% in equities and 0-20% in other assets.

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
- Bonds which are rated investment grade by a recognised rating agency;
- Unrated bonds and bonds which are rated sub-investment grade, subject to a maximum of 40% of the Fund's Net Asset Value
- Asset-Backed Securities, subject to a maximum of 10% of the Fund's Net Asset Value
- Derivatives whose value is derived from bonds, interest rates or credit risk

Equity instruments that the Fund may invest in include (a) direct company shares and (b) derivatives whose value is derived from company shares.

Other assets, for this purpose, include 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.

Derivative 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.

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<sup>36</sup> 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 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.

<b>Investment Approach</b>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<b>Performance Comparator</b>	Not applicable
<b>Profile of Typical Investor</b>	<p>Typical investors may be retail, professional or institutional who are looking for income and capital growth but can bear the economic risk of the loss of their investment in the Fund.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least three years.</p>
<b>Reference Currency</b>	Euro
<b>Currency Hedged Share Classes</b>	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.
<b>Calculation of Global Exposure</b>	The 1-month absolute VaR of the Fund, at a 99% confidence level, cannot be greater than 11%.
<b>Leverage</b>	<p>The Fund's expected level of leverage under normal market conditions is 44% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Distribution Policy</b>	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a monthly basis.

## Risk Warnings

Investors' attention is particularly drawn to the section entitled "Risk Factors" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Derivative Instruments
- Short Sales
- Credit Risk
- Interest Rate Risk
- Currency & Exchange Rate Risk
- Contingent Convertible Debt Securities
- Investments in China

## Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.50%	2.00%	0.65%	0.65%	Up to 0.65%	Up to 0.65%	Nil	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 28. M&G (LUX) JAPAN FUND

<b>Fund Name</b>	M&G (Lux) Japan Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the Japanese equity market over any five-year period.
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities of companies that are domiciled in, or conducting the major part of their economic activity in, Japan. The Fund usually holds fewer than 50 stocks.</p> <p>The Investment Manager believes that market mis-pricings can and often do occur because psychological factors (<i>i.e.</i> behavioural biases) may prevent investors from always assessing investments rationally. As a result, market prices do not always reflect fundamental values.</p> <p>The Investment Manager believes that it is possible to profit systematically from such behavioural biases that are prevalent in the Japanese equity market.</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>37</sup>, cash and near cash, deposits and warrants.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
<b>Investment Approach</b>	<p>The Investment Manager aims to take advantage of market mis-pricings 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.</p> <p>The Investment Manager aims to construct a reasonably diversified portfolio and expects stock selection to be the main driver of performance.</p>
<b>Performance Comparator</b>	<p>MSCI Japan Net Return Index</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	<p>The Fund is suitable for retail and Institutional Investors seeking long term capital growth and income through investment in Japanese securities. The Fund is suitable for investors 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.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least five years.</p>
<b>Reference Currency</b>	Japanese Yen

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<sup>37</sup> 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 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.

**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.

**Risk Warnings** Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Currency & Exchange Rate Risk
- Concentrated Portfolios
- Funds Investing In A Specific Asset Class, Region or Sector
- Funds Investing In Smaller companies
- Liquidity Risk
- Counterparty Risk

### Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.50%	2.00%	0.75%	0.75%	Up to 0.75%	Up to 0.75%	Nil	Nil	Nil
Initial Charge	5.00%	N/A	3.25%	1.25%	3.25%	Nil	Nil	3.25%	Nil
Redemption Charge	N/A	N/A	N/A	N/A	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 29. M&G (LUX) JAPAN SMALLER COMPANIES FUND

<b>Fund Name</b>	M&G (Lux) Japan Smaller Companies Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the Japanese Smaller Companies equity market over any five-year period.
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities of smaller companies that are domiciled in, or conducting the major part of their economic activity in Japan. The Fund usually holds fewer than 50 stocks.</p> <p>Smaller companies are defined as the bottom third in terms of total market capitalisation of all publicly listed companies in Japan.</p> <p>The Investment Manager believes that market mis-pricings can and often do occur because psychological factors (i.e. behavioural biases) may prevent investors from always assessing investments rationally. As a result, market prices do not always reflect fundamental values.</p> <p>The Investment Manager believes that it is possible to profit systematically from such behavioural biases that are prevalent in the Japanese Smaller Companies equity market.</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>38</sup>, cash and near cash, deposits and warrants.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
<b>Investment Approach</b>	<p>The Investment Manager aims to take advantage of market mis-pricings 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.</p> <p>The Investment Manager aims to construct a reasonably diversified portfolio and expects stock selection to be the main driver of performance.</p>
<b>Performance Comparator</b>	<p>Russell Nomura Mid-Small Net Return Index</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	<p>The Fund is suitable for retail and Institutional Investors seeking long term capital growth and income through investment in smaller capitalisation Japanese securities. The Fund is suitable for investors 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.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p>

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<sup>38</sup> 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 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.

This Fund may be suitable for investors who have an investment time horizon of at least five years.

**Reference Currency** Japanese Yen

**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.

**Risk Warnings** Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Currency & Exchange Rate Risk
- Concentrated Portfolios
- Funds Investing In A Specific Asset Class, Region or Sector
- Funds Investing In Smaller companies
- Liquidity Risk
- Counterparty Risk

#### Share Classes Available for Issue

Share Classes	A	B	C	CI	K	Z	ZI
Annual Management Charge (annual rate)	1.50%	2.00%	0.75%	0.75%	Nil	Nil	Nil
Initial Charge	5.00%	Nil	3.25%	1.25%	Nil	3.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

### 30. M&G (LUX) MULTI ASSET 2023 FUND

<b>Fund Name</b>	M&G (Lux) Multi Asset 2023 Fund
<b>Launch Date</b>	14 December 2017
<b>Investment Objective</b>	<p>The Fund has two aims:</p> <ul style="list-style-type: none"><li>▪ To pay a fixed annual distribution of 2.5% based on the initial amount invested until maturity in December 2023; and</li><li>▪ To grow capital over the six-year term.</li></ul>
<b>Investment Policy</b>	<p>The Fund invests in open-ended investment funds<sup>39</sup> where the Investment Manager is M&amp;G Investment Management Limited to gain exposure to a range of assets<sup>40</sup>. The open-ended investment funds can be invested in single asset class or in a range of asset classes, including equities, fixed income securities, property, convertibles, currencies and money market instruments from anywhere in the world.</p> <p>In the period leading up to maturity, the Fund may hold high levels of cash and near cash.</p> <p>The Fund will be established for a period of six years after the Initial Offer Period, during which time no further subscriptions will be allowed. Investors who remain invested until maturity will not be subject to any redemption charge, however investors who redeem prior to maturity will be subject to a regressive redemption charge<sup>41</sup>.</p>
<b>Investment Approach</b>	<p>The Investment approach combines in-depth research to work out the value of assets over the short to medium term, with analysis of market reactions to events, to identify investment opportunities. The Investment Manager has a flexible top-down approach to the allocation of capital between different types of funds in response to changes in economic conditions and asset values.</p> <p>The Investment Manager believes that this approach has the potential to deliver the objective over the six year term with an expected annualised volatility (the degree to which the value of the Fund fluctuates over any 12-month period) of around 8%. The Fund will invest in different strategies, including income strategies to generate an income but can distribute from capital to meet the annual fixed distribution of 2.5%.</p>
<b>Performance Comparator</b>	Not applicable
<b>Duration</b>	The Fund is established for a period of six years from the launch date.
<b>Product Structure</b>	<p>No further subscriptions can be made in the Fund. Shareholders may apply for redemption of all or any of their Shares on the Dealing Day of the Fund. Note that for redemptions prior to maturity a redemption charge will apply as detailed below.</p> <p><b>Investment period</b></p> <p>During the investment period the Fund will be run in accordance with the Fund objective and investment policy. In the event of significant investor redemptions during the investment period and/or the net assets of the Fund falling below EUR20m, the Board of Directors reserves the right to close the Fund before the scheduled maturity date.</p>

<sup>39</sup> This complies with Article 41(1)e) of UCI Law.

<sup>40</sup> As the underlying collective investment schemes are also managed by the Management Company (or an associate), the Management Company will reduce its Annual Management Charge and its Administration Fee 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.

<sup>41</sup> See table below headed « Redemption Charge Schedule ».



### **Maturity**

Shares will be redeemed at the end of the Fund's term of six years following launch date. Nonetheless, and where it is in the best interest of the Shareholders, the Board of the Directors will convene an extraordinary general meeting of Shareholders of the Fund to decide to reduce or extend the maturity of the Fund.

### **Profile of Typical Investor**

Typical investors may be retail, professional or institutional who are looking for income and growth of capital 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 six years and are therefore prepared to remain invested until the Fund's maturity.

### **Reference Currency**

Euro

### **Dealing Day**

Shares are not available for subscription. All Dealing Days are for redemption requests only, and will be every Business Day.

### **Redemptions**

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.

### **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 distributions on an annual basis. There will be a pro rata adjustment done on the distribution taking into account any partial redemption.

### **Fees and Expenses**

Unlike what is described in the section 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 the Fund. Such charge will be calculated and taken into account daily ("Single Charge").

The Single Charge will be 1.60% and will include: (1) Depositary's Fees, (2) Custody Charges and Custody Transaction Charges, (3) Paying Agents' Fees, (4) Administration Fees, (5) Directors' Fees, (6) Service Provider Fees, and (7) Other Expenses. It includes the tax d'abonnement but it excludes portfolio transaction costs, and any initial charge or redemption charge. Portfolio transaction costs include dealing spread, broker commissions, transfer taxes and stamp duty incurred by the Company on the Fund's transactions.

The Fund may bear 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.

As the Fund invests in collective investment schemes that are also managed by the Management Company (or an associate), the Management Company will rebate the Annual Management Charge and Administration Fee of the underlying collective investment scheme. No initial or redemption charge will apply at the level of the underlying collective investment scheme(s) to avoid any double charge.

### **Risk Warnings**

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Investment in Funds
- Redemption Charge
- Funds or Share Classes with Fixed Distributions

Risk associated with the underlying open-ended investment funds:

- Counterparty Risk
- Credit Risk
- Interest Rate Risk
- Emerging Markets
- Securitised Bonds
- Derivative Instruments
- Contingent Convertible Debt Securities

### Share Classes Available for Issue

Share Classes	P
Single Charge (annual rate)	1.60%
Initial Charge	0.00%
Redemption Charge	See the schedule below

- Initial and Redemption Charges shown are the maximum figures and, in some cases, may be less.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

### 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	2.50%	2.00%	1.50%	1.00%	0.75%	0.50%

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

### 31. M&G (LUX) NORTH AMERICAN DIVIDEND FUND

<b>Fund Name</b>	M&G (Lux) North American Dividend Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	<p>The Fund has two aims:</p> <ul style="list-style-type: none"><li>▪ To deliver a higher total return (the combination of capital growth and income) than that of the US equity market over any five-year period and;</li><li>▪ To deliver an income stream that increases every year in US Dollar terms.</li></ul>
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities of companies across any sector and market capitalisation that are domiciled in, or conducting the major part of their economic activity in, the US and Canada. The Fund usually holds fewer than 50 stocks.</p> <p>The Investment Manager seeks to invest in companies with excellent capital discipline and the potential for long-term dividend growth. The Investment Manager believes rising dividends create upward pressure on the value of shares.</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>42</sup>, cash and near cash, deposits and warrants.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
<b>Investment Approach</b>	<p>The Fund employs a bottom-up stock picking approach, driven by the fundamental analysis of individual companies. Dividend yield is not the primary consideration for stock selection.</p> <p>The Investment Manager aims to create a diversified portfolio with exposure to a broad range of sectors. Stocks with different drivers of dividend growth are selected to construct a portfolio that has the potential to cope in a variety of market conditions.</p>
<b>Performance Comparator</b>	<p>S&amp;P 500 Net TR Index</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	<p>The Fund is suitable 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. The Fund is suitable for investors 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.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least five years.</p>
<b>Reference Currency</b>	US Dollar
<b>Currency Hedged Share Classes</b>	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.

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<sup>42</sup> 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 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.

**Distribution Policy**

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

**Risk Warnings**

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Funds Investing In Smaller Companies
- Funds investing In A Specific Asset Class, Region or Sector
- Currency & Exchange Rate Risk
- Concentrated Portfolios
- Liquidity Risk
- Counterparty Risk

**Share Classes Available for Issue**

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.50%	2.00%	0.75%	0.75%	Up to 0.75%	Up to 0.75%	Nil	Nil	Nil
Initial Charge	5.00%	Nil	3.25%	1.25%	3.25%	Nil	Nil	3.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 32. M&G (LUX) NORTH AMERICAN VALUE FUND

<b>Fund Name</b>	M&G (Lux) North American Value Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the US equity market over any five-year period.
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities of companies across any sector and market capitalisation that are domiciled in, or conducting the major part of their economic activity in, the US and Canada.</p> <p>The investment process of the Fund is based on the fundamental analysis of companies trading on low valuations relative to their history and the market.</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>43</sup>, cash and near cash, deposits and warrants.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
<b>Investment Approach</b>	<p>The Fund employs a bottom-up stock picking approach to identify shares of North American companies that the Investment Manager believes are undervalued. The Investment Manager seeks to identify companies that are mispriced, while trying to avoid firms that are cheap for a reason and whose share prices are unlikely to improve over time.</p> <p>The Fund's approach combines strict value-focused screening with rigorous qualitative analysis to ensure the Fund has a consistent and disciplined value bias, without compromising on the robustness of the companies in the portfolio.</p> <p>The main driver of returns is expected to be the value style and overall stock selection rather than any individual sector or stock.</p>
<b>Performance Comparator</b>	<p>S&amp;P 500 Net TR Index</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	<p>The Fund is suitable 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. The Fund is suitable for investors 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.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least five years.</p>
<b>Reference Currency</b>	US Dollar
<b>Currency Hedged Share classes</b>	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.

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<sup>43</sup> 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 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.

**Reference Currency** US Dollar

**Distribution Policy** If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on an annual basis.

**Risk Warnings** Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Funds Investing In A Specific Asset Class, Region or Sector
- Currency & Exchange rate Risk
- Funds Investing In Smaller Companies
- Liquidity Risk
- Counterparty Risk

### Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.50%	2.00%	0.75%	0.75%	Up to 0.75%	Up to 0.75%	Nil	Nil	Nil
Initial Charge	5.00%	Nil	3.25%	1.25%	3.25%	Nil	Nil	3.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

### 33. M&G (LUX) OPTIMAL INCOME FUND

**Fund Name** M&G (Lux) Optimal Income Fund

**Launch Date** 5 September 2018

**Investment Objective** The Fund aims to provide a total return (the combination of capital growth and income) to investors based on exposure to optimal income streams in investment markets.

**Investment Policy** The Fund invests at least 50% of its Net Asset Value in debt securities, including investment grade bonds, high yield bonds, unrated securities and Asset-Backed Securities. These securities may be issued by governments and their agencies, public authorities, quasi-sovereigns, supranational bodies and companies. Issuers of these securities may be located in any country, including emerging markets, and denominated in any currency. At least 80% of the Net Asset Value will be in EUR or hedged into EUR.

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 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 is a flexible bond fund that allows investment across a broad range of fixed income assets according to where the Investment Manager finds value. In identifying the optimal income stream, the Fund also has the flexibility to invest up to a maximum of 20% of its Net Asset Value in equities.

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, Credit Default Swaps, Total Return Swaps and Interest Rate Swaps.

The Fund may also invest in other assets including, collective investment schemes<sup>44</sup>, cash and near cash, deposits, warrants and other debt securities.

**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 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.

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<sup>44</sup> When the underlying collective investment scheme is managed by the Management Company (or an associate), the Management Company will reduce its Annual Management 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.

<b>Performance Comparator</b>	<p>Composite index made of the following three indices:</p> <ul style="list-style-type: none"> <li>▪ 1/3 Bloomberg Barclays Global Agg Corporate Index EUR Hedged</li> <li>▪ 1/3 Bloomberg Barclays Global High Yield Index EUR Hedged</li> <li>▪ 1/3 Bloomberg Barclays Global Treasury Index EUR Hedged</li> </ul> <p>These indices represent the global investment grade corporate market, the global high yield corporate market and the global government bond market respectively.</p> <p>The Fund is actively managed. The composite index is a point of reference against which the performance of the Fund may be measured. The Fund may bear little resemblance to this composite index as it only represents the neutral position of the Fund.</p>
<b>Profile of Typical Investor</b>	<p>The Fund is suitable for retail and Institutional Investors seeking to gain a combination of capital growth and income from a portfolio at least half of which will be debt instruments with the remainder including these or other asset types, but who appreciate that this is not guaranteed and that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least five years.</p>
<b>Reference Currency</b>	Euro
<b>Currency Hedged Share Classes</b>	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.
<b>Calculation of Global Exposure Leverage</b>	<p>Absolute VaR</p> <p>The Fund's expected level of leverage under normal market conditions is 116.5% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Distribution Policy</b>	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.
<b>Initial Offer Period</b>	The Fund is not launched at the date of this Prospectus and will be launched following a decision by the Directors. The Prospectus will be amended accordingly.
<b>Risk Warnings</b>	<p>Investors' attention is particularly drawn to the section entitled "<b>Risk Factors</b>" of the Prospectus and especially to the risk factors relating to:</p> <ul style="list-style-type: none"> <li>▪ Risk to Capital &amp; Income Will Vary</li> <li>▪ Credit Risk</li> <li>▪ Interest Rate Risk</li> <li>▪ Derivative Instruments</li> <li>▪ Currency &amp; Exchange Rate Risk</li> <li>▪ Emerging Markets</li> <li>▪ Securitised Bonds</li> <li>▪ Exposure Greater than Net Asset Value</li> <li>▪ Short Sales</li> <li>▪ Contingent Convertibles Debt Securities</li> </ul>



## Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.25%	1.75%	0.75%	0.75%	Up to 0.75%	Up to 0.75%	Nil	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

### 34. M&G (LUX) PAN EUROPEAN DIVIDEND FUND

<b>Fund Name</b>	M&G (Lux) Pan European Dividend Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	<p>The Fund has two aims:</p> <ul style="list-style-type: none"><li>▪ To deliver a higher total return (the combination of capital growth and income) than that of the European equity market over any five-year period; and</li><li>▪ To deliver an income stream that increases every year in Euro terms.</li></ul>
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities 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 usually holds fewer than 50 stocks.</p> <p>The investment manager seeks to invest in companies with excellent capital discipline and the potential for long-term dividend growth. The Investment Manager believes rising dividends create upward pressure on the value of shares.</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>45</sup>, cash and near cash, deposits and warrants.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
<b>Investment Approach</b>	<p>The Fund employs a bottom-up stock picking approach, driven by the fundamental analysis of individual companies. Dividend yield is not the primary consideration for stock selection.</p> <p>The Investment Manager aims to create a diversified portfolio with exposure to a broad range of countries and sectors. Stocks with different drivers of dividend growth are selected to construct a portfolio that has the potential to cope in a variety of market conditions.</p>
<b>Performance Comparator</b>	<p>MSCI Europe Net Return Index</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	<p>The Fund is suitable for retail and Institutional Investors seeking to gain a combination of capital growth and raising income from a diversified portfolio of European equities, 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.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least five years.</p>
<b>Reference Currency</b>	Euro
<b>Distribution Policy</b>	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annual basis.

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<sup>45</sup> When the underlying collective investment scheme is managed by the Management Company (or an associate), the Management Company will reduce its Annual Management 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.

## Risk Warnings

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Funds Investing In A Specific Asset Class, Region or Sector
- Concentrated Portfolios
- Currency & Exchange Rate Risk
- Funds Investing In Smaller Companies
- Liquidity Risk
- Counterparty Risk

## Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.50%	2.00%	0.75%	0.75%	Up to 0.75%	Up to 0.75%	Nil	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

## 35. M&G (LUX) PAN EUROPEAN SELECT FUND

<b>Fund Name</b>	M&G (Lux) Pan European Select Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the European equity market over any five-year period.
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities of companies across any sectors and market capitalisations that are domiciled in, or conducting the major part of their economic activity in, Europe. The Fund usually holds fewer than 35 stocks.</p> <p>The Fund uses an investment process that is based on the fundamental analysis of competitively advantaged companies with sustainable business models.</p> <p>Sustainability considerations play an important role in determining the investment universe and assessing business models. Companies that are assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment and anti-corruption are excluded from the investment universe. Industries such as tobacco and controversial weapons are also excluded.</p> <p>The Fund may also invest in other assets including collective investment schemes<sup>46</sup>, cash and near cash, deposits and warrants.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
<b>Investment Approach</b>	<p>The Fund is a focused European equity fund, making long-term investments in companies with sustainable business models and competitively advantageous characteristics to protect their profitability. Importantly, the Investment Manager invests in businesses where short-term issues have provided a clear valuation opportunity.</p> <p>Sustainability considerations are fully integrated into the investment process.</p> <p>The Investment Manager believes that this approach offers a powerful combination, providing the long-term compounded value of quality businesses, as well as the potential boost to a company's share price when a short-term issue has been resolved.</p>
<b>Performance Comparator</b>	<p>MSCI Europe Net Return Index</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	<p>The Fund is suitable for retail and Institutional Investors seeking to gain a combination of capital growth and income from a portfolio that invests in a range of European companies, but who appreciate that this is not guaranteed and that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p>

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<sup>46</sup> 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 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.

This Fund may be suitable for investors who have an investment time horizon of at least five years.

**Reference Currency** Euro

**Distribution Policy** If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a semi-annually basis.

**Risk Warnings** Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Funds Investing In A Specific Asset Class, Region or Sector
- Concentrated Portfolios
- Currency & Exchange Rate Risk
- Funds Investing In Smaller Companies
- Liquidity Risk
- Counterparty Risk

### Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	1.50%	2.00%	0.75%	0.75%	Up to 0.75%	Up to 0.75%	Nil	Nil	Nil
Initial Charge	5.00%	Nil	3.25%	1.25%	3.25%	Nil	Nil	3.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- L and LI Shares will have a Minimum Subscription amount of 20 million and a Minimum Subsequent Subscription amount of 50,000 in EUR or in equivalent amounts in alternative currencies.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

### 36. M&G (LUX) PIR ALLOCATION FUND

<b>Fund Name</b>	M&G (Lux) PIR Allocation Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	The Fund aims to maximise risk adjusted returns over any five-year period.
<b>Investment Policy</b>	The Fund will invest to be an eligible "Piano Individuale di Risparmio a lungo termine" ('PIR') holding as defined under the Italian 2017 Budget Law (Law No 232 of 11 December 2016).

The Fund will adhere to the PIR restrictions:

- The Fund will invest at least 70% of its Net Asset Value in financial instruments whether or not negotiated on a regulated market or on a multilateral trading facility, issued by, or entered into with companies, which are resident in Italy, or in an EU or EEA Member State and have a permanent establishment in Italy.
- At least 30% of the financial instruments referenced above, which corresponds to at least 21% of the Fund's Net Asset Value, shall be issued by companies which are not included in the FTSE MIB index or in any other equivalent indices.
- The Fund cannot invest in financial instruments issued by companies which are not resident in countries that allow an adequate exchange of information with Italy.

Subject to the PIR restrictions, the Fund may invest up to 30% of its Net Asset Value globally. The global investments may include fixed income securities, equities (including closed-ended real estate investment trusts or other closed-ended real estate-related securities and infrastructure related securities), Convertible Bonds and Asset-Backed Securities. It may also include emerging markets and assets denominated in any currency.

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 may invest up to a total of 80% 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 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 may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management to the extent that their use complies with prevailing restrictions of Italian laws and PIR regulations which may be amended from time to time. These instruments may include, but are not limited to, Spot and Forward Contracts, Exchange Traded Futures, Swaps, Credit Default Swaps and Options.

The Fund may also invest in collective investment schemes<sup>47</sup>, currencies, cash, near cash, deposits and warrants.

The Fund may be very concentrated in certain assets or markets as a result of

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<sup>47</sup> 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 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.

<b>Investment Approach</b>	<p>meeting the PIR requirements.</p> <p>The asset allocation by the Investment Manager is intended to meet the PIR requirements.</p> <p>The Investment Manager has a 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 the market's reaction to events.</p>
<b>Performance Comparator</b>	<p>At least 70% of the Fund's Net Asset Value will be invested across:</p> <ul style="list-style-type: none"> <li>▪ The Italian corporate fixed income market following a dynamic approach with a blend of duration and credit exposure based on the Investment Manager's outlook.</li> <li>▪ The Italian small and mid-cap equity market, where the Investment Manager will follow an enhanced index based strategy.</li> </ul> <p>Composite index made up of the following indices:</p> <ul style="list-style-type: none"> <li>▪ 21% FTSE Italia PIR Mid Small Cap Net Tax Index</li> <li>▪ 49% ICE BofA Merrill Lynch Senior Euro Italian Corporate ex Real Estate 5% Constrained Index</li> <li>▪ 30% 3-Month Euribor</li> </ul> <p>The Fund is actively managed and may bear little resemblance to the performance comparator. The performance comparator is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	<p>The Fund is suitable for retail and Institutional Investors seeking to gain a combination of capital growth and income through a PIR eligible investment portfolio. Suitable investors should be aware that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least five years.</p>
<b>Reference Currency</b>	Euro
<b>Currency Hedged Share Classes</b>	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.
<b>Calculation of Global Exposure</b>	Absolute VaR
<b>Leverage</b>	The Fund's expected level of leverage under normal market conditions is 75% 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.
<b>Distribution Policy</b>	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.
<b>Risk Warnings</b>	<p>Investors' attention is particularly drawn to the section entitled "<b>Risk Factors</b>" of the Prospectus and especially to the risk factors relating to:</p> <ul style="list-style-type: none"> <li>▪ Risk to Capital &amp; Income Will Vary</li> <li>▪ Credit Risk</li> </ul>

- Interest Rate Risk
- Emerging Markets
- Contingent Convertible Debt Securities
- Counterparty Risk
- Investment in China
- Funds Investing in a Specific Asset Class, Region or Sector
- Currency & Exchange Rate Risk
- Securitised Bonds

### Share Classes Available for Issue

Share Classes	A	C	CI	J	JI	K	L	LI	Z	ZI
Annual Management Charge (annual rate)	1.30%	0.50%	0.50%	Up to 0.50%	Up to 0.50%	Nil	0.35%	0.35%	Nil	Nil
Initial Charge	4,00%	1.25%	1.25%	1.25%	Nil	Nil	1.25%	1.25%	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- L and LI Shares will have a Minimum Subscription amount of 20 million and a Minimum Subsequent Subscription amount of 50,000 in EUR or in equivalent amounts in alternative currencies.
- **Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**



### 37. M&G (LUX) POSITIVE IMPACT FUND

<b>Fund Name</b>	M&G (Lux) Positive Impact Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	<p>The Fund has two aims:</p> <ul style="list-style-type: none"><li>▪ 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</li><li>▪ To invest in companies that have a positive societal impact through addressing the world's major social and/or environmental challenges.</li></ul>
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in the equity securities of companies across any sector and market capitalisation that are domiciled in any country, including emerging markets<sup>48</sup>. The Fund has a concentrated portfolio and usually holds fewer than 40 stocks.</p> <p>Assessment and measurement of the ability to deliver positive social and/or environmental impact and generate financial returns will be conducted at a company level using M&amp;G's impact assessment methodology. This focuses on three criteria:</p> <ul style="list-style-type: none"><li>▪ Investment credentials: the quality and durability of the company's business model and its ability to produce sustainable economic returns;</li><li>▪ Intention: the company's purpose as evidenced by the alignment of its mission statement with its corporate actions and strategy; and</li><li>▪ Impact: the scale of the net positive societal impact and the company's progress towards addressing specified social and/or environmental challenges.</li></ul> <p>Certain investments which are considered to conflict with the Fund's aim to invest in companies with a positive societal impact are excluded from the investment universe. The following are excluded:</p> <ul style="list-style-type: none"><li>▪ Companies that are assessed to be in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption; and</li><li>▪ Companies involved in the production of tobacco, alcohol, adult entertainment, controversial weapons, oil sands, nuclear power or coal-fired power, or the provision of gambling services.</li></ul> <p>The Investment Manager has discretion to invest in companies with limited exposure to fossil fuels but which are driving or significantly participating in the transition to a more sustainable economy.</p> <p>The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.</p> <p>The Fund may also invest in other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&amp;G<sup>49</sup>).</p> <p>Derivatives may be used for efficient portfolio management and hedging.</p>
<b>Investment Approach</b>	<p>The Fund is a concentrated portfolio of global stocks, investing over the long term in companies that make a positive social and/or environmental impact alongside a financial return, using a disciplined stock selection process. Sustainability and impact considerations are fundamental in determining the</p>

<sup>48</sup> Emerging markets will typically be those defined by the International Monetary Fund as such or those defined by the World Bank as emerging or developing economies.

<sup>49</sup> 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 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.

Fund's investment universe and assessing business models.

The Fund embraces the United Nations Sustainable Development Goals framework and invests in companies focused on areas including climate action, pollution reduction, circular economy<sup>50</sup>, health and wellbeing, education and innovation, and working conditions.

The Fund invests in three categories of positive impact companies:

- "Pioneers", whose products or services have a transformational effect on society or the environment;
- "Enablers", which provide the tools for others to deliver positive social or environmental impact; and
- "Leaders", which spearhead the development of sustainability in their industries.

Investing in these categories provides diversification across industries and maturity of business models.

Dialogue with the companies in which the Fund invests is fundamental to the investment approach. The objective is to support and influence their contribution to the world's major social and environmental challenges.

**Performance  
Comparator**

MSCI ACWI Net Return Index

The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.

**Profile of Typical  
Investor**

The Fund is suitable 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.

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 may be suitable for investors who have an investment time horizon of at least five years.

**Reference Currency**

US Dollar

**Distribution Policy**

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

**Risk Warnings**

Investors' attention is particularly drawn to the section entitled "**Risk Factors**" of the Prospectus and especially to the risk factors relating to:

- Risk to Capital & Income Will Vary
- Concentrated Portfolios
- Emerging Markets
- Funds Investing In Smaller Companies
- Currency & Exchange Rate Risk
- Liquidity Risk
- Counterparty Risk
- Investments in China

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<sup>50</sup> 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.

## Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	L	LI	Z	ZI
Annual Management Charge (annual rate)	1.75%	2.25%	0.75%	0.75%	Up to 0.75%	Up to 0.75%	Nil	0.50%	0.50%	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	1.25%	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- L and LI Shares will have a Minimum Subscription amount of 20 million and a Minimum Subsequent Subscription amount of 50,000 in EUR or in equivalent amounts in alternative currencies.
- Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

### 38. M&G (LUX) SHORT DATED CORPORATE BOND FUND

<b>Fund Name</b>	M&G (Lux) Short Dated Corporate Bond Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the short dated investment grade corporate bond market over any five-year period.
<b>Investment Policy</b>	<p>The Fund invests at least 80% of its Net Asset Value in fixed and floating rate debt securities issued by investment grade companies and in Asset-Backed Securities.</p> <p>The Fund may also invest in high yield corporate bonds, debt securities issued by government and their agencies, public authorities, quasi-sovereigns and supranational bodies. The Fund may also invest in unrated bonds. There are no credit quality restrictions with respect to the high yield debt securities in which the Fund may invest.</p> <p>These securities may be issued anywhere in the world, including emerging markets and denominated in any currency. The Fund does not take currency views and aims to hedge any non-EUR assets to EUR.</p> <p>The Fund uses an investment process that is based on both a top-down macroeconomic view and fundamental analysis of individual securities.</p> <p>The Fund invests in short dated corporate bond and/or securities which on aggregate produce a low portfolio duration, in order to limit the effect of interest rate movements on the Fund's capital value.</p> <p>The Fund may invest up to a combined maximum of 20% of the Fund's Net Asset Value in high yield and unrated securities.</p> <p>The Fund may hold up to 100% of its Net Asset Value in Asset-Backed Securities and a maximum of 20% of its Net Asset Value in Contingent Convertible Debt Securities.</p> <p>The Fund may invest in Asset-Backed Securities, including mortgage-backed securities (commercial, agency residential, prime residential, non-prime residential), cash collateralised debt obligation, cash collateralised loan obligation, auto prime, auto subprime, consumer loan, credit card, student loan, aircraft loan/lease, equipment lease, small business loan/lease, whole business securitisation, single family rentals and other securitised assets.</p> <p>The Fund 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 and Interest Rate Swaps.</p> <p>The Fund may also invest in other assets including, collective investment schemes<sup>51</sup>, cash and near cash, deposits, equities, warrants and other debt securities.</p>

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<sup>51</sup> 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 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.

<b>Investment Approach</b>	<p>The Investment Manager considers macroeconomic, asset class, sector, geographic and individual credit-level factors.</p> <p>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.</p> <p>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.</p>
<b>Performance Comparator</b>	<p>iBoxx EUR Corporates 1-3 year Index</p> <p>The Fund is actively managed. The index is a point of reference against which the performance of the Fund may be measured.</p>
<b>Profile of Typical Investor</b>	<p>The Fund is suitable 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, 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.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least five years.</p>
<b>Reference Currency</b>	<p>Euro</p>
<b>Currency Hedged Share Classes</b>	<p>Currency Hedged Share Classes on this Fund seek to reduce the effect of exchange rate fluctuations between the currency of the Currency Hedged Share Classes and the Reference Currency of the Fund.</p>
<b>Calculation of Global Exposure Leverage</b>	<p>Absolute VaR</p> <p>The Fund's expected level of leverage under normal market conditions is 79.6% 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.</p>
<b>Distribution Policy</b>	<p>If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.</p>
<b>Risk Warnings</b>	<p>Investors' attention is particularly drawn to the section entitled "<b>Risk Factors</b>" of the Prospectus and especially to the risk factors relating to:</p> <ul style="list-style-type: none"> <li>▪ Risk to Capital &amp; Income Will Vary</li> <li>▪ Credit Risk</li> <li>▪ Interest Rate Risk</li> <li>▪ Derivative Instruments</li> <li>▪ Securitised Bonds</li> <li>▪ Emerging Markets</li> <li>▪ Contingent Convertible Debt Securities</li> <li>▪ Liquidity Risk</li> <li>▪ Counterparty Risk</li> <li>▪ Short Sales</li> </ul>

## Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	Z	ZI
Annual Management Charge (annual rate)	0.65%	1.15%	0.25%	0.25%	Up to 0.25%	Up to 0.25%	Nil	Nil	Nil
Initial Charge	3.25%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**

### 39. M&G (LUX) SUSTAINABLE ALLOCATION FUND

<b>Fund Name</b>	M&G (Lux) Sustainable Allocation Fund
<b>Launch Date</b>	The Fund is not launched at the date of the Prospectus.
<b>Investment Objective</b>	The Fund aims to provide a total return (the combination of capital growth and income) of 4 to 8% per annum over any five-year period. The Fund aims to provide this return while considering environmental, social and governance (ESG) factors.
<b>Investment Policy</b>	<p>The Fund invests in a diversified range of asset classes, such as fixed income, equities, cash, and near cash. These investments may be from anywhere in the world, including emerging markets<sup>52</sup>, and denominated in any currency. The Fund has a flexible asset allocation and normally invests within the following net allocation ranges: 20-80% in fixed income securities, 20-60% in equities and 0-20% in other assets.</p> <p>The Fund invests in assets that meet the Investment Manager's ESG criteria or that have a positive societal impact, through addressing the world's major social and environmental challenges. Between 10% and 30% of the portfolio is invested in positive impact assets. All selected securities meet the Investment Manager's assessment of ESG or impact criteria through the use of third party ESG information and/or proprietary analysis.</p> <p>In addition, the Fund aims to exclude securities issued by:</p> <ul style="list-style-type: none"><li>▪ Companies that are assessed to be in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption; and</li><li>▪ Companies involved in the production of tobacco, alcohol, adult entertainment, controversial weapons, thermal coal, or the provision of gambling services.</li></ul> <p>The Fund may invest directly via securities or indirectly via other collective investment schemes (including funds managed by M&amp;G) and derivatives, which are not subject to the same ESG restrictions as securities held directly. The Investment Manager will assess the suitability of such instruments relative to the Fund's investment objective. If a derivative does not satisfy the ESG requirements, the Fund may only invest via the instrument to take advantage of short-term market movements.</p> <p>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.</p> <p>The Fund may invest up to a total of 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. The Fund may invest up to 5% of its Net Asset Value in Contingent Convertible Debt Securities and up to 10% of its Net Asset Value in Asset-Backed Securities.</p> <p>The Fund may invest in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.</p> <p>The Fund may use derivatives to meet its investment objective, for hedging and efficient portfolio management. The Fund may take synthetic short positions in markets, currencies, securities, indices and other groups of securities. 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.</p>

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<sup>52</sup> Emerging markets will typically be those defined by the International Monetary Fund as such or those defined by the World Bank as emerging or developing economies.

<b>Investment Approach</b>	<p>The Fund's approach to sustainable investment is through flexible asset allocation, whilst investing in securities issued by companies or governments that uphold high standards of environmental, social and governance behaviour. In addition, the Fund maintains a core holding of assets that have a positive societal impact through addressing the world's major social and environmental challenges.</p> <p>The Fund allocates 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.</p> <p>The Fund seeks to manage risk by investing globally in multiple asset classes, and across different sectors, currencies and countries. The Fund's annualised volatility is expected to be between 4% and 7%, over any five-year period.</p>
<b>Performance Comparator</b>	Not applicable
<b>Profile of Typical Investor</b>	<p>Typical investors may be retail, professional or institutional 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.</p> <p>In each case it is expected that all investors will understand and appreciate the risks associated with investing in Shares of the Fund.</p> <p>This Fund may be suitable for investors who have an investment time horizon of at least five years.</p>
<b>Reference Currency</b>	Euro
<b>Currency Hedged Share Classes</b>	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
<b>Calculation of Global Exposure</b>	Absolute VaR
<b>Leverage</b>	<p>The Fund's expected level of leverage under normal market conditions is 75% of the Fund's Net Asset Value when calculated in accordance with the sum of notionals approach.</p> <p>The level of leverage could sometimes be higher under certain circumstances including but not limited to changes in the reference market conditions and the investment strategy.</p>
<b>Distribution Policy</b>	If declared, unless otherwise specified for a Share Class, the Fund will pay dividends on a quarterly basis.
<b>Risk Warnings</b>	<p>Investors' attention is particularly drawn to the section entitled "<b>Risk Factors</b>" of the Prospectus and especially to the risk factors relating to:</p> <ul style="list-style-type: none"> <li>▪ Risk to Capital &amp; Income Will Vary</li> <li>▪ Credit Risk</li> <li>▪ Interest Rate Risk</li> <li>▪ Counterparty Risk</li> <li>▪ Emerging Markets</li> <li>▪ Securitised Bonds</li> <li>▪ Derivative Instruments</li> <li>▪ Short Sales</li> <li>▪ Liquidity Risk</li> </ul>



## Share Classes Available for Issue

Share Classes	A	B	C	CI	J	JI	K	L	LI	Z	ZI
Annual Management Charge (annual rate)	1.50%	2.00%	0.60%	0.60%	Up to 0.60%	Up to 0.60%	Nil	0.35%	0.35%	Nil	Nil
Initial Charge	4.00%	Nil	1.25%	1.25%	1.25%	Nil	Nil	1.25%	Nil	1.25%	Nil
Redemption Charge	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current annual rate of local tax ( <i>Taxe d'abonnement</i> )	0.05%	0.05%	0.05%	0.01%	0.05%	0.01%	0.01%	0.05%	0.01%	0.05%	0.01%
Administration Charge	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

- Investors should refer to the section of the Prospectus headed "**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.
- Please refer to [www.mandg.com/classesinissue](http://www.mandg.com/classesinissue) for share classes that are being issued on this Fund.**