

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

EUR Class Q-H - Accumulation shares ISIN no. LU2008181997

### M&G Senior Asset Backed Credit Fund

(The "Fund") is manufactured by M&G Luxembourg S.A. (The "Manager")

The Manager is incorporated in Luxembourg and regulated by the CSSF.

More information is available at [www.mandg.com](http://www.mandg.com)

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This document is accurate as at **01 January 2023**.

**You are about to purchase a product that is not simple and may be difficult to understand.**

## What is this product?

### Type:

The Fund is a sub-Fund of European Specialist Investment Funds, a société d'investissement à capital variable (SICAV), organised as an umbrella fund with segregated liability between sub-Funds. Governed and established under Luxembourg Law as an Undertaking for Collective Investment in Transferable Securities (UCITS).

### Objective:

The Sub-Fund aims to provide a higher total return (the combination of income and capital growth) than that of the SONIA over any three-year period, net of fees.

**Investment policy:** the Sub-Fund invests in Asset-Backed Securities and other floating rate instruments that are Investment Grade and denominated in any currency. In usual market conditions, at least 70% of the portfolio will be invested in Asset Backed Securities and at least 80% of the portfolio is expected to be subject to a credit rating of at least AA-; this is a credit rating which is above that included in the definition of "Investment Grade" in the Prospectus. The Sub-Fund may invest up to 10% of its assets in securities that are not rated by any recognised rating agency, in which case a comparable internal credit rating will be used. Issuers of these securities may be located in any country, including emerging markets. The Sub-Fund does not take currency views and aims to hedge any nonGBP assets back to GBP. The Sub-Fund may use derivatives to meet its investment objective, for efficient portfolio management and for the purposes of hedging. These instruments may include but are not limited to spot and forward contracts, options, exchange traded futures, credit default swaps, and interest rate swaps. The Sub-Fund may also invest in other assets including, Collective Investment Schemes, cash and near cash, deposits and other debt instruments.

**Investment approach:** the investment manager will employ a fundamental research driven approach to identify assets that offer an appropriate return on a relative value and risk adjusted basis. The portfolio will be constructed so as to ensure that it remains well diversified and with an appropriate liquidity profile

### Benchmark: SONIA

The benchmark is a target which the Sub-Fund seeks to achieve. The rate has been chosen as the Sub-Fund's benchmark as it is an achievable performance target and best reflects the scope of the Sub-Fund's investment policy. The benchmark is used solely to measure the SubFund's performance and does not constrain the Sub-Fund's portfolio construction. The Sub-Fund is actively managed. The Investment Manager has complete freedom in choosing which assets to buy, hold and sell in the Sub-Fund, subject to the investment restrictions and guidelines set out in the Prospectus. For unhedged and currency hedged share classes, the share class performance is shown against a reference rate calculated in the share class currency.

### Intended Retail Investor:

The Sub-Fund is for sophisticated and/or institutional investors who want income and capital growth from a portfolio primarily invested in Investment Grade Asset Backed Securities. Investors will have knowledge of, and are more experienced in, this asset class and understand and can evaluate the strategy, characteristics and risks in order to make an informed investment decision. The return on your Sub-Fund is directly related to the value of its underlying assets, which is determined by the credit rating and the markets' view of the debt issuer, as well as reflecting broader economic and political themes. As an investor your capital is at risk. The value of your portfolio, and any income you may receive from it, can go down as well as up. You may get back less than you originally invested.

Any income from the Fund will be rolled up into the value of your investment.

**Term:** The Fund has no set maturity date but is designed to be held for a minimum of 5 years. However, it is possible for the Directors of the company to terminate the Fund, without the prior consent of the shareholders, where it is deemed to be uneconomic to run or in the best interests of shareholders. Refer to the Prospectus for more information.

## What are the risks and what could I get in return?

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product may lose money because of movements in the markets or because we are not able to pay you.



**The risk indicator assumes you keep the product for 5 year(s). This product has no maturity date.**

We have classified this product as 1 out of 7, which is the lowest risk class.

## Performance scenarios

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment/product.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted. The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the fund over the last 15 years. Markets could develop very differently in the future.

**Investment = € 10,000**

| Scenarios                           | If you exit after: 1 year   | If you exit after: 5 years* |
|-------------------------------------|---|-----------------------------|
| Minimum                             | There is no minimum guaranteed return. You could lose some or all of your investment. |                             |
| Stress scenario                     |   |                             |
| What you might get back after costs | €9,670  | €9,680                      |
| Average return each year            | -3.3%   | -0.6%                       |
| Unfavourable scenario               |   |                             |
| What you might get back after costs | €9,790  | €9,790                      |
| Average return each year            | -2.1%   | -0.4%                       |
| Moderate scenario                   |   |                             |
| What you might get back after costs | €10,060   | €10,290                     |
| Average return each year            | 0.6%  | 0.6%                        |
| Favourable scenario                 |   |                             |
| What you might get back after costs | €10,120   | €10,350                     |
| Average return each year            | 1.2%  | 0.7%                        |

\*Recommended holding period

## What happens if M&G Luxembourg S.A. is unable to pay out?

The assets of the Fund are held in safekeeping by the Depositary detailed in the prospectus. In the event of the insolvency of the Manager, the Fund's assets in the safekeeping of the Depositary will not be affected. However, in the event of the Depositary's insolvency, or someone acting on its behalf, the Fund may suffer a financial loss. However, this risk is mitigated to a certain extent by the fact the Depositary is required by law to segregate its own assets from the assets of the Fund. The Depositary will also be liable to the Fund and the investors for any loss arising from, among other things, its negligence, fraud or intentional failure properly to fulfil its obligations (subject to certain limitations). The Depositary is required by Luxembourg law to be member of the Fonds de Garantie des Dépôts Luxembourg (FGDL, the Luxembourg Deposit Guarantee Fund) <https://www.cssf.lu/en/protection-of-depositors-and-investors/>

## What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

| Table 1: Costs over time |  |                           |      |                             |
|--------------------------|--|---------------------------|------|-----------------------------|
| Scenarios                |  | If you exit after: 1 year |      | If you exit after: 5 years* |
| Total costs              |  | €31                       | 0.3% | €1591.6%                    |
| Annual cost impact (*)   |  | 0.3%                      |      | 0.3%                        |

(\*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 0.9% before costs and 0.6% after costs. These figures include the maximum distribution fee that the person selling you the product may charge. This person will inform you of the actual distribution fee.

**Table 2: Composition of costs**

|   |  | <b>Annual cost impact<br/>if you exit after: 5<br/>years</b> |
|---|--|--|
| <b>One-off costs upon entry or exit</b>   |  |  |
| Entry costs                               | No entry costs are payable when you acquire your investment.   | 0.0%   |
| Exit costs                                | No exit costs are payable when you dispose of your investment.   | 0.0%   |
| <b>Ongoing costs</b>                      |  |  |
| Portfolio transaction costs               | The impact of the costs of us buying and selling underlying investments for the product.   | 0.0%   |
| Other ongoing costs                       | The impact of the salaries payable to our staff and other costs and expenses of running the company, together with management and performance fees relating to our underlying funds portfolio. | 0.3%   |
| <b>Incidental costs</b>                   |  |  |
| Performance fees and/or Carried interests | The impact of the performance-related compensation schemes payable to the company's staff and/or the impact of carried interests.  | 0.0%   |

Different costs apply depending on the investment amount. Additional costs may be payable if product options are chosen throughout the lifetime of your investment.

## How long should I hold the investment and can I take money out early?

Recommended holding period of this fund is 5 years. The recommended holding period was selected in accordance with the fund's objective. You may redeem your units on any dealing day. The redemption price is calculated by reference to the Net Asset Value per unit of the relevant class fund as at the Valuation Point on the relevant dealing day. The request may be made

- in writing to: M&G Luxembourg at Boulevard Royal 16, Luxembourg 2449
- or by phone at +352 2605 9944

## How can I complain?

If you wish to complain about any aspect of the service you have received or to request a copy of M&G Lux's complaints handling procedure, please write (i) via email to [GOCS@mandg.com](mailto:GOCS@mandg.com) or (ii) via registered mail for the attention of Complaints Handling of M&G Luxembourg S.A. at M&G Luxembourg S.A., 16, Boulevard Royal, L-2449 Luxembourg, Grand-Duchy of Luxembourg. If your complaint is not dealt with to your satisfaction, you can then complain to <https://reclamations.apps.cssf.lu/index.html?language=en>. Professionals' complaints are handled by the Legal department "Consumer Protection/Financial Crime" within the CSSF, 283, route d'Arlon, L-1150 Luxembourg, Postal Address: L-2991 Luxembourg, [reclamation@cssf.lu](mailto:reclamation@cssf.lu)

## Other relevant information

Please visit <https://www.mandg.com/investments/private-investor/en-lu/complaints-dealing-process>  
For further information about this Fund, please contact :+352 2605 9944.