

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 P2 - Accumulation shares ISIN no. LU2509757162

M&G (Lux) Sustainable Macro Flexible 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

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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 M&G (Lux) Investment Funds 1, 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 Fund aims to provide income plus capital growth of at least cash* plus 3.5% a year, before any charges are taken, over any five-year period, while applying ESG Criteria and Sustainability Criteria.

* As based on 1-month Euribor, the rate at which banks borrow money from each other.

Core investment: at least 70% of the Fund is invested in corporate bonds, government bonds, cash and near cash, money market instruments, asset backed securities (up to 40%), and preference shares. Issuers of these securities may be located in any country, including emerging markets. At least 75% of the Fund is denominated in euro or hedged back to euro. No credit quality restrictions apply to these investments. The Fund invests in securities that meet the ESG Criteria and Sustainability Criteria. Norms-, sector- and/or values-based exclusions are applied.

Other investments: contingent convertible debt securities (up to 20%) and other funds.

Derivatives usage: for investment purposes and to reduce risk and cost.

Strategy in brief:

• Investment approach: this is a global flexible bond fund. The Fund aims to generate income plus capital growth over the economic and credit cycles, using a combination of bottom-up credit selection and active management of interest rate exposure. ESG factors are fully integrated into credit analysis and investment decisions.

• Responsible investment approach: the Fund is categorised as Planet+ / Sustainable, as defined in the Prospectus.

Benchmark: 1-month Euribor + 3.5%

The benchmark is a target which the Fund seeks to achieve. The rate has been chosen as it is an achievable performance target based on the Fund's investment approach. The benchmark is used solely to measure the Fund's performance objective and does not constrain the Fund's portfolio construction. The Fund is actively managed. The investment manager has complete freedom in choosing which investments to buy, hold and sell in the Fund. The benchmark is not an ESG benchmark and is not consistent with the ESG Criteria and Sustainability Criteria.

Intended Retail Investor:

The Fund is for retail and institutional investors who want capital growth and income from a portfolio of global bonds. The Fund applies ESG factors and considers principal adverse impacts on sustainability factors when investing. The return on your 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 2 out of 7, which is a low 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	€8,740	€8,530
Average return each year	-12.6%	-3.1%
Unfavourable scenario		
What you might get back after costs	€9,000	€9,110
Average return each year	-10.0%	-1.9%
Moderate scenario		
What you might get back after costs	€9,860	€10,380
Average return each year	-1.4%	0.8%
Favourable scenario		
What you might get back after costs	€10,790	€10,970
Average return each year	7.9%	1.9%

*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	€437	4.4%	€961 9.6%
Annual cost impact (*)	4.4%		1.8%

(*) 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 2.6% before costs and 0.8% 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

One-off costs upon entry or exit		Annual cost impact if you exit after: 5 years
Entry costs	No entry costs are payable when you acquire your investment.	3.3%
Exit costs	No exit costs are payable when you dispose of your investment.	0.0%
Ongoing costs		
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.	1.1%
Incidental costs		
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 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

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.

For past performance information please visit:

<https://www.mandg.com/investments/private-investor/en-lu/funds/mg-lux-sustainable-global-high-yield-bond-fund/lu1665234511>