

Key Investor Information

This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.



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

a sub-fund of M&G (Lux) Investment Funds 1

Euro Class A – Accumulation shares ISIN no. LU1582984149

Managed by M&G Luxembourg S.A., which is part of the Prudential Group

Objective and investment policy

The fund aims to provide a positive total return (combined income and capital growth) that matches or is greater than European inflation, as measured by Eurostat Eurozone Harmonised Index of Consumer Prices, over any three-year period.

Core investment: At least 50% of the fund is invested in inflation-linked investment grade corporate bonds. The fund may invest directly or indirectly by creating 'synthetic' bonds through the combination of inflation-linked government bonds and derivatives.

The fund may also use derivatives to reduce risk and costs and to manage the impact of changes in currency exchange rates on the fund's investments.

For more information on the types of bonds held and derivatives used, please refer to the Prospectus, which can be found by visiting www.mandg.co.uk/literature

Strategy in brief: The fund holds a range of bonds whose returns behave in a similar way to inflation. However, the investment manager may seek alternative sources of returns where it is felt that this will help achieve the fund's objective. The investment approach combines the assessment of macroeconomic factors with in-depth analysis of the creditworthiness of individual bond issues. The fund manager will typically invest in European bonds but may also invest in bonds issued outside of the region and in other currencies, based on where value is identified. The fund manager will normally hold at least 90% of the fund in Euros.

Other investment: The fund may also invest in cash and deposits, preferred shares, other debt instruments, warrants and other funds.

Glossary terms

Bonds: Loans to governments and companies that pay interest.

Derivatives: Financial contracts whose value is derived from other assets.

Inflation-linked bonds: Bonds where both the value and the interest payments are adjusted in line with inflation until they are fully repaid.

Preferred shares: Shares which entitles the holder to a fixed dividend, whose payment takes priority over that of ordinary share dividends.

Warrants: Financial contracts that allow the fund manager to buy stocks for a fixed price until a certain date.

Other information

This fund allows the fund manager(s) to make discretionary choices when deciding which investments should be held in the fund.

You can buy and sell shares in the fund on any business day. Provided we receive your instructions before 13:00 Luxembourg time, shares will be bought at that day's price.

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

In addition to the charges set out in the charges section, the fund will incur portfolio transaction costs which are paid from the assets of the fund. These may have a material impact on your returns.

Risk and reward profile



- The above risk number is based on simulated historical data and may not be a reliable indicator of the future risk profile of the fund.
- The risk number shown is not guaranteed and may change over time.
- The lowest risk number does not mean risk free.

The main risks that could affect performance are set out below:

- The value of investments and the income from them will rise and fall. This will cause the fund price, as well as any income paid by the fund, to fall as well as rise. There is no guarantee the fund will achieve its objective, and you may not get back the amount you originally invested.
- The fund may take short positions through the use of derivatives 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 will cause the Fund to incur a loss.
- Changes in currency exchange rates will affect the value of your investment.
- The value of the fund will fall if the issuer of a fixed income security held is unable to pay income payments or repay its debt (known as a default). Fixed income securities that pay a higher level of income usually have a lower credit rating because of the increased risk of default. The higher the rating the less likely it is that the issuer will default, but ratings are subject to change.
- In difficult market conditions the value of certain fund investments may be less predictable than normal and, in some cases, this may make such investments harder to sell at the last quoted market price, or at a price considered to be fair. Where market conditions make it hard to sell the fund's investments at a fair price in order to meet customers' sale requests, we may temporarily suspend dealing in the fund's shares.
- The manager will place transactions (including derivative transactions), hold positions and place cash on deposit with a range of financial institutions. There is a risk that the financial institutions may fail to meet their obligations or become insolvent.

A more detailed description of the risk factors that apply to the fund can be found in the fund's Prospectus.

Charges

The charges shown in the table are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

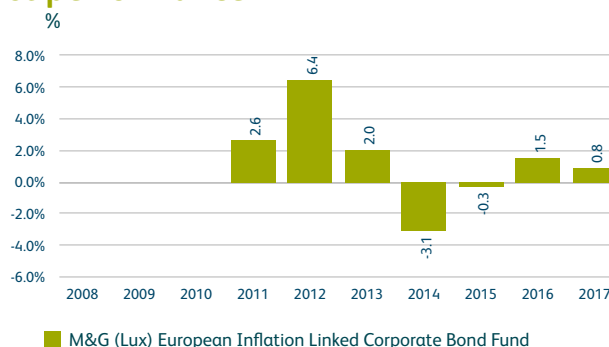
One-off charges taken before or after you invest	
Entry charge	3.25%
Exit charge	0.00%
The entry charge is the maximum that might be taken out of your money before it is invested.	
Charges taken from the fund over a year	
Ongoing charge	1.22%
Charges taken from the fund under certain specific conditions	
Performance fee	None

The entry and exit charges shown are the maximum figures and, in some cases, you may pay less. You can find out the exact charges which apply to your investment by contacting your financial adviser or distributor or, if you have invested directly with us, you can contact us using the details given in the practical information section.

The ongoing charge figure shown here is an estimate of the charges because the fund has only recently launched. The fund's annual report for each financial year will include details on the exact charges made. This figure may change from year to year. It excludes portfolio transaction costs.

For more information on charges, please see the relevant sections of the Prospectus at www.mandg.co.uk/literature

Past performance



- Past performance is not a guide to future performance.
- The past performance calculation excludes Luxembourg taxes. It does not take into account the entry and exit charges but does take into account the ongoing charge and the performance fee, as shown in the charges section.
- On 16 March 2018 the M&G European Inflation Linked Corporate Bond Fund (a UK authorised UCITS) merged into this fund. The past performance shown before the launch of this fund on 16 March 2018 is based on the on-going charge of the M&G European Inflation Linked Corporate Bond Fund, which may not be exactly the same as this fund, and includes UK taxes. It does not take into account the entry and exit charges. The M&G European Inflation Linked Corporate Bond Fund launched on 16 September 2010. The Euro Class A accumulation share class launched on 16 September 2010.
- Past performance is calculated using Euro Class A Accumulation shares.

Practical information

The depositary is State Street Bank Luxembourg S.C.A.

For more information about this fund, please visit www.mandg.co.uk/literature where you will find a copy of the Prospectus, Articles of Incorporation, and the latest annual or interim Investment Report and Financial Statements. These documents are in English and are available free of charge. Our website also provides other information such as share prices.

This fund is subject to Luxembourg tax laws, and this may affect your personal tax position. Please speak to an adviser for more information.

M&G Luxembourg S.A. may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Prospectus for the fund.

The fund is a sub-fund of M&G (Lux) Investment Funds 1, an umbrella fund established as a Société d'investissement à capital variable (SICAV). The Prospectus, and annual or interim Investment Report and Financial Statements contain information about all of the sub-funds in M&G (Lux) Investment Funds 1.

The assets of each sub-fund within the umbrella SICAV are segregated by law. This means that the assets belong exclusively to that sub-fund and shall not be used or made available to pay the debts of any other sub-fund or the umbrella SICAV.

You may switch between other sub-funds of M&G (Lux) Investment Funds 1. An entry charge may apply. Details on switching are provided in the fund's Prospectus, or by calling M&G Customer Relations on +352 2605 9944.

Other share classes may exist for the fund as set out in the relevant Prospectus.

For up-to-date details of the staff remuneration policy that applies to M&G Luxembourg S.A., including a description of how remuneration and benefits are calculated, the make-up of the remuneration committee, and the identities of persons responsible for awarding the remuneration and benefits, please visit www.mandg.co.uk/remuneration. We will provide a paper copy of this information, free of charge, if you require one.

The Fund is authorised in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF). M&G Luxembourg S.A. is authorised in Luxembourg by the CSSF.

This key investor information is accurate as at 01 October 2018.