

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) Global Convertibles Fund

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

Euro Class C-H – Distribution shares ISIN no. LU1670709572

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

Objective and investment policy

The fund aims to provide a combination of capital growth and income to deliver a return that is higher than that of the global convertibles market over any five-year period.

Core investment: At least 70% of the fund is invested in convertibles issued by companies from anywhere around the world, including emerging markets*. The fund also holds company shares in combination with bonds in order to replicate the exposure to convertibles when a direct holding is not available. Company shares are also held to adjust the technical characteristics of individual convertibles, such as making them more sensitive to changes in the price of the shares into which they convert. The fund can also use derivatives rather than company shares for both purposes.

Other investment: The fund also holds cash or assets that can be turned quickly into cash.

Use of derivatives: The fund typically invests directly, but may also invest indirectly via derivatives. Derivatives may also be used to manage risks and reduce costs, as well as to offset the impact of currency exposures arising from 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

* Emerging market countries are defined as those included within the MSCI Emerging Markets Index and/or those included in the World Bank's definition of developing economies, as updated from time to time.

Strategy in brief: The investment manager aims to take advantage of the special characteristics of convertibles, which can participate more in share price increases than falls. The investment manager selects investments based on an assessment of company-specific factors and technical characteristics of convertibles. Spreading investments across issuers, industries and countries is an essential element of the fund's strategy and the investment manager is assisted in the selection of individual bonds by an in-house team of analysts.

Performance comparator: The fund is actively managed. The Thomson Reuters Global Focus Convertible Index is a point of reference against which the performance of the fund may be measured.

Glossary terms

Bonds: Loans to governments and companies that pay interest.

Convertibles: Bonds issued by companies that usually pay a set rate of interest and which can be exchanged for predetermined amounts of company shares.

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

Other information

This fund allows the investment manager 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 may be paid out to you annually.

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.
- 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.
- The fund may use derivatives to gain exposure to investments exceeding the value of the fund (leverage). This may cause greater changes in the fund's price and increase the risk of loss.
- Changes in currency exchange rates will affect the value of your investment.
- Hedged share classes aim to mirror the performance of another share class. We cannot guarantee that the hedging objective will be achieved. The hedging strategy will limit holders of the hedged share class from benefiting if the hedged share class currency falls against the currencies of the fund's investments.
- The fund will invest in emerging markets which are generally more sensitive to economic and political factors, and where investments are less easily bought and sold. In exceptional circumstances, the fund may encounter difficulties when selling or collecting income from these investments, which could cause the fund to incur a loss. In extreme circumstances, it could lead to the temporary suspension of dealing in shares in the fund.
- Where market conditions make it hard to sell the fund's investments at a fair price to meet customers' sale requests, we may temporarily suspend dealing in the fund's shares.
- Some transactions the fund makes, such as placing cash on deposit, require the use of other financial institutions (for example, banks). If one of these institutions defaults on their obligations or becomes insolvent, the fund may incur a loss.

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	1.25%
The entry charge is the maximum that might be taken out of your money before it is invested.	
Exit charge	0.00%
Charges taken from the fund over a year	
Ongoing charge	0.99%
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 Distribution shares, the ongoing charge is taken from investments held in the fund's portfolio and not from the income these investments produce. The deduction of this charge will reduce the potential growth of your investment.

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

Past performance

The fund launched on 09 November 2018. There is insufficient information available to provide a useful indication of past performance. Past performance information will be shown when the fund has been in existence for a complete calendar year.

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 09 November 2018.