

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) Conservative Allocation Fund

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

Euro Class C – Accumulation shares ISIN no. LU1582982879

Managed by M&G Luxembourg S.A.

Objective and investment policy

The fund aims to provide a combination of capital growth and income of 3-6% on average per year over any three-year period.

Core investment: The fund typically invests via derivatives in a mix of assets from anywhere in the world within the following net allocation ranges:

- 0-100% in fixed income securities (including bonds and asset-backed securities);
- 0-35% in company shares; and
- up to 20% in other assets (including convertibles, contingent convertible debt securities and property-related securities).

The fund may also invest in these assets directly or through other funds. The ranges shown above are on a net basis, that is, 'long' positions (investments that profit from a rise in asset prices) net of 'short' positions (investments held via derivatives that profit from a fall in asset prices).

The fund may invest in China A-Shares and in Chinese bonds denominated in renminbi.

A minimum of 60% of the fund is typically invested in assets denominated in euro or hedged back to euro.

Other investments: The fund may also invest in other funds and cash or assets that can be turned into cash quickly.

Derivatives: The fund may invest via derivatives and use derivatives to reduce the risks and costs of managing the fund.

Strategy in brief: The fund employs a highly flexible investment approach. The investment manager has the freedom to allocate capital between different types of assets in response to changes in economic conditions and asset prices. The approach combines in-depth research to work out the 'fair' value of assets over the medium to long term, with analysis of the market's short-term reactions to events, to identify investment opportunities. 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.

Benchmark: The fund is actively managed and it has no benchmark. Investors can assess the performance of the fund by its objective to provide a total return of 3-6% per annum over any three-year period.

You can find more information about the objective and investment policy of the fund in the Prospectus.

You can find an explanation of some of the terms used in this document in the glossary at <https://docs.mandg.com/docs/glossary-master-en.pdf>

Other information

You can buy and sell shares in the fund on any business day. Instructions received before 13:00 Luxembourg time will be dealt 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.

Recommendation: This fund may not be appropriate for investors who plan to withdraw their money within 3 years.

Risk and reward profile



• The above risk and reward indicator is based on simulated historical data and may not be a reliable indication of the future risk profile of this share class. This Share Class is categorised in risk class 4 because its simulated Net Asset Value has shown medium rises and falls in value historically.

- 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 and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.
- Investments in bonds are affected by interest rates, inflation and credit ratings. It is possible that bond issuers will not pay interest or return the capital. All of these events can reduce the value of bonds held by the fund.
- The fund may use derivatives to profit from an expected rise or fall in the value of an asset. Should the asset's value vary in an unexpected way, the fund will incur a loss. The fund's use of derivatives may be extensive and exceed the value of its assets (leverage). This has the effect of magnifying the size of losses and gains, resulting in greater fluctuations in the value of the fund.
- Investing in emerging markets involves a greater risk of loss due to greater political, tax, economic, foreign exchange, liquidity and regulatory risks, among other factors. There may be difficulties in buying, selling, safekeeping or valuing investments in such countries.
- The fund is exposed to different currencies. Derivatives are used to minimise, but may not always eliminate, the impact of movements in currency exchange rates.
- In exceptional circumstances where assets cannot be fairly valued, or have to be sold at a large discount to raise cash, we may temporarily suspend the fund in the best interest of all investors.
- The fund could lose money if a counterparty with which it does business becomes unwilling or unable to repay money owed to the fund.
- Operational risks arising from errors in transactions, valuation, accounting, and financial reporting, among other things, may also affect the value of your investments.

Further details of the risks that apply to the fund can be found in the fund's Prospectus at www.mandg.com/ireland-literature

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.

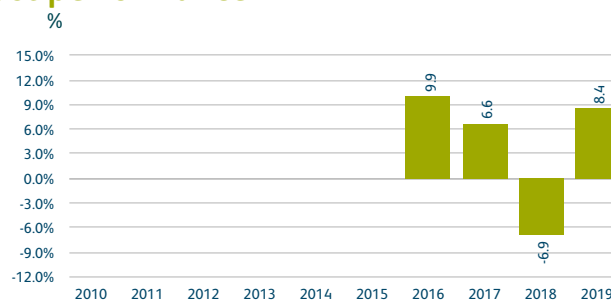
One-off charges taken before or after you invest	
Entry charge	1.25%
Exit charge	0.00%
This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.	
Charges taken from the fund over a year	
Ongoing charge	0.87%
Charges taken from 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 is based on expenses for the period/year ending 31 March 2019. 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.com/ireland-literature

Past performance



■ M&G (Lux) Conservative Allocation Fund

- Past performance is not a guide to future performance.
- Performance is calculated including tax, the ongoing charge and the Performance fee but excluding entry and exit charges.
- The fund launched on 16 January 2018 and the Euro Class C Accumulation share class launched on 16 January 2018.
- On 16 March 2018 the M&G Prudent Allocation Fund (a UK authorised UCITS) merged into this fund. The past performance shown before the launch of this fund on 16 January 2018 is based on the on-going charge of the M&G Prudent Allocation 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 Prudent Allocation Fund launched on 23 April 2015. The Euro Class C accumulation share class launched on 23 April 2015.

Practical information

The depositary is State Street Bank International GmbH, Luxembourg Branch

For more information about this fund, please visit www.mandg.com/ireland-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.com/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 12 February 2020.