

25 January 2023

Dear Investor

**Important changes to:**

- **M&G (Lux) Emerging Markets Bond Fund**
- **M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund**
- **M&G (Lux) Emerging Markets Hard Currency Bond Fund**
- **M&G (Lux) Euro Corporate Bond Fund**
- **M&G (Lux) Global Convertibles Fund**
- **M&G (Lux) Global Corporate Bond Fund**
- **M&G (Lux) Global Floating Rate High Yield Fund**
- **M&G (Lux) Global High Yield Bond Fund**
- **M&G (Lux) Sustainable Global High Yield Bond Fund**

(each a “Fund”, together the “Funds”), all sub-funds of M&G (Lux) Investment Funds 1 (the “Company”)

**You do not need to take any action, but we recommend that you read this letter carefully.**

Defined terms used in this letter have the same meaning as in the Company’s prospectus, unless otherwise defined hereafter.

I am writing to inform you of a change to the methodology used to calculate the Funds’ Value at Risk (“VaR”) limit. VaR estimates, with a high degree of confidence, the maximum potential loss that is likely to arise under normal market conditions, over a one-month time horizon.

Each Fund’s VaR is currently calculated using an ‘absolute’ calculation methodology, which sets the VaR limit to 20% of its Net Asset Value (“NAV”). Under the new, ‘relative’ methodology, the VaR limit for each Fund will be set to the maximum of 2 times the value of its representative benchmark’s VaR.

The change will become effective on 31 January 2023.

**There will be no material change to the Funds’ overall risk profiles or to their Synthetic Risk Reward Indicators. The Funds will continue to be managed in the same way, and we do not anticipate the change to result in any immediate material changes to the Funds’ portfolios.**

continued overleaf

**Background and reasons for the changes**

The relative VaR approach will allow the Funds to adjust their risk exposure in line with their investment universe as represented by their respective benchmarks. As a result this allows the Funds to better navigate volatile markets and take advantage of investment opportunities, potentially delivering better outcomes for investors.

**Administration costs associated with the changes**

All administration costs associated with implementing the changes will be borne by M&G.

**Making changes to your investment**

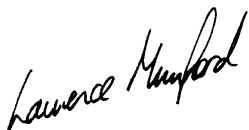
You may sell your investment, or switch it to another sub-fund of the Company or M&G fund, free of charge, at any point before or after the changes have taken place subject to our terms and conditions.

**For more information**

If you are in any doubt as to the action to be taken or require further information, please do not hesitate to contact your usual M&G contact or, for operational queries, our Customer Services team by email at [csmandg@rbc.com](mailto:csmandg@rbc.com) or by telephone on +352 2605 9944. We are open from 09:00 to 18:00 CET Monday to Friday. For security and to improve the quality of our service we may record and monitor telephone calls.

Please be aware that we are not in a position to give you investment advice. If you are uncertain as to how the changes may affect you, you should consult a financial adviser.

Yours faithfully



Laurence Mumford  
Chair, M&G (Lux) Investment Funds 1