

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") which is part of the M&G Group.

For more information visit www.mandg.com or call +352 2605 9944. The CSSF is responsible for supervising the Manager in relation to this Key Information Document. This PRIIP is authorised in Luxembourg. The Manager is authorised in Luxembourg and regulated by the CSSF.

This document is accurate as at **14 February 2025**.

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.

* 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 (meaning eligible deposits) and assets that can be turned quickly into 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, applying an Exclusionary Approach and a Positive ESG Outcome as described in the precontractual annex.

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.
- Investment manager's ESG classification: 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. For performance measurement purposes the benchmark may be denominated or hedged into the relevant share class currency. The benchmark for each share class will be shown on the M&G website.

Intended retail investor:

The Fund is designed for retail and institutional investors who want capital growth and income from a portfolio of global bonds, and who have sustainability preferences. 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.

We have classified this product as 2 out of 7, which is a low risk class.

The risk indicator assumes you keep the product for 5 year(s). This product has no maturity date.

This rates the potential losses from future performance at a low level, and poor market conditions are very unlikely to impact the value of your investment.

Be aware of currency risk. In some circumstances, you may receive payments in a different currency, so the final return you will get may depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.



This product does not include any protection from future market performance so you could lose some or all of your investment.

Further details of the risks that apply to the fund can be found in the fund's Prospectus at <https://www.mandg.com/investments/private-investor/en-lu/solutions/our-funds>.

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 10 years. Where fund data is not available, the benchmark or another suitable proxy is used. Markets could develop very differently in the future.

Scenarios	*Recommended holding period	
Based on an investment of €10.000,00	If you exit after: 1 year	If you exit after: 5 years*
Stress scenario		
What you might get back after costs	€7.860,00	€7.700,00
Average return each year	-21,36%	-5,09%
Unfavourable scenario		
What you might get back after costs	€8.950,00	€9.380,00
Average return each year	-10,50%	-1,27%
Moderate scenario		
What you might get back after costs	€9.870,00	€10.370,00
Average return each year	-1,34%	0,74%
Favourable scenario		
What you might get back after costs	€10.790,00	€10.970,00
Average return each year	7,89%	1,87%

There is no minimum guaranteed return. You could lose some or all of your investment.

Unfavourable Scenario: This type of scenario occurred for an investment between 2015 - 2020.

Moderate Scenario: This type of scenario occurred for an investment between 2018 -2023.

Favourable Scenario: This type of scenario occurred for an investment between 2016 -2021.

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 Fund is not covered by an investor compensation scheme.

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.

Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods. We have assumed, in the first year you would get back the amount that you invested (0 % annual return). For the other holding period, we have assumed the fund performs as shown in the moderate scenario. The figures assume € 10.000,00 is invested.

Table 1: Costs over time (Based on an investment of €10.000,00)

Scenarios	If you exit after: 1 year	If you exit after: 5 years*
Total costs	€440,00	€901,00
Annual cost impact (*)	4,40%	1,80%

(*) 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 2,54% before costs and 0,74% after costs. These figures include the maximum distribution fee that the person selling you the product may charge (3,25% of amount invested). This person will inform you of the actual distribution fee.

Table 2: Composition of costs

One-off costs upon entry or exit		If you exit after: 1 year
Entry costs	3,25% of the value of your investment. This is the maximum entry cost M&G will charge.	€325,00
Exit costs	This is the maximum exit fee M&G will charge.	€0,00
Ongoing costs		
Management fees and other administrative or operating costs	1,11% of the value of your investment per year. This is an estimate based on actual costs over the last year.	€111,00
Transaction costs	0,04% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	€4,13
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.	-

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 shares/units on any dealing day. The redemption price is calculated by reference to the Net Asset Value per share/unit of the relevant share/unit class 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. If you cash in before the end of the recommended holding period, this will increase the risk of lower investment returns or a loss.

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 europaclientservices@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

Additional information can be found on the M&G website, including:

- [Glossary](#) providing an explanation of some terms used in this document
- Prospectus including the Fund's objective and investment policy, and precontractual annex
- Sustainability-Related Disclosures including [ESG Criteria](#)
- Annual report to assess the Fund's non-financial objective, when available.

Or alternatively please contact: +352 2605 9944.

For our complaints process please click [here](#)