

16 December 2024

Dear Investor

**Changes to M&G (Lux) Optimal Income Fund (the “Fund”),  
a sub-fund of M&G (Lux) Investment Funds 1 (the “Company”)**

Defined terms used in this letter have the same meaning as in the Prospectus, unless otherwise defined hereafter.

I am writing to inform you of our plans to introduce an additional Environmental, Social and Governance (“ESG”) feature to the Fund. Effective from 16 January 2025 (the “**Effective Date**”), the Fund will no longer be able to invest in poorer ESG performers, or “**ESG laggards**”. Companies classified as ESG laggards are based on MSCI (ESG rating of B or CCC) unless the Investment Manager’s in-house ESG assessment takes a different view.

The change will be reflected from the Effective Date in the Fund’s Sustainability-Related Disclosures, which include details on ESG features applicable to the Fund and are available on the Fund’s page on the M&G website.

**The Fund’s Investment Objective, Investment Policy and Investment Approach will remain unchanged and the Fund will retain its categorisation as Article 8 under the Sustainable Finance Disclosure Regulation (“SFDR”). The change will not result in any immediate changes to the portfolio, and there will be no material change to the Fund’s liquidity and risk profile.**

**Why is the change happening?**

The change will further enhance the Fund’s ESG characteristics whilst retaining its ability to make the most of the flexibility allowed by its Investment Strategy as it continues to seek exposure to optimal income streams for its Shareholders.

**Legal and administration costs associated with the changes**

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

continued overleaf

**Making changes to your investment**

You may sell your investment, or switch it to another sub-fund of the Company, free of charge, at any point subject to our terms and conditions.

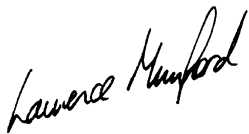
**For more information**

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@caceis.com](mailto:csmandg@caceis.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.

The prospectus, Key Information Document (KID), articles of incorporation and the most recent annual or semi-annual report of the Company are available free of charge from the Representative in Switzerland: Société Générale, Paris, Zweigniederlassung Zürich, Talacker 50, Postfach 5070, CH-8021 Zürich.

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 sincerely

A handwritten signature in black ink, reading "Laurence Mumford". The signature is written in a cursive, flowing style.

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