

# 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) Emerging Markets Bond Fund  
a sub-fund of M&G (Lux) Investment Funds 1  
Euro Class A – Accumulation shares ISIN no. LU1670631016  
Managed by M&G Luxembourg S.A.

## Objective and investment policy

The fund aims to provide a combination of capital growth and income that is higher than the global emerging markets bond market over any three-year period.

**Core investment:** At least 80% of the Fund is invested in bonds issued by the governments, government-related institutions or companies of emerging markets, which can be denominated in any currency. The fund invests in bonds of any credit quality and may invest up to 100% in lower quality bonds.

The fund may invest in Chinese bonds denominated in Renminbi.

**Other investment:** The fund may invest in asset-backed securities, contingent convertible debt securities, other funds, and cash or assets that can be turned into cash quickly.

**Derivatives:** The fund may invest via derivatives and use derivatives with the aim of reducing the risks and costs of managing the fund.

**Strategy in brief:** The investment manager selects investments based on an assessment of global, regional, and country-specific macroeconomic factors, followed by in-depth analysis of individual bond issuers. The fund is diversified by investing in a range of bonds across emerging markets, globally.

**Performance comparator:** The fund is actively managed. A composite index comprising 1/3 JPM EMBI Global Diversified Index, 1/3 JPM CEMBI Broad Diversified Index and 1/3 JPM GBI-EM Global Diversified Index is a point of reference against which the performance of the fund may be measured. These indices represent the emerging market government bond markets denominated in the currencies of developed countries, the emerging market corporate bond markets denominated in the currencies of developed countries and the emerging market government bond markets denominated in local currencies, respectively.

### Glossary terms

**Bonds:** Loans to governments and companies that pay interest.

**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 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.

## 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 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.
- 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.
- 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.
- Investing in bonds from China, denominated in Renminbi and traded on the China Interbank Bond Market, may be subject to greater clearing, settlement and counterparty risk. These factors could cause the fund to incur a loss.
- The fund can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.
- 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.
- 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.

Further details of the risks 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.

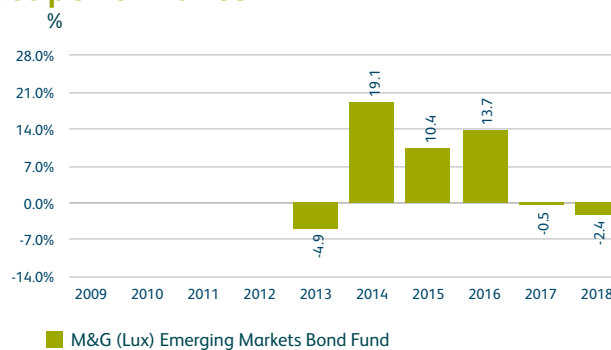
One-off charges taken before or after you invest	
Entry charge	4,00%
Exit charge	0,00%
This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.	
Charges taken from the fund over a year	
Ongoing charge	1,47%
Charges taken from 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 more information on charges, please see the relevant sections of the Prospectus at [www.mandg.lu/literature](http://www.mandg.lu/literature)**

## Past performance



■ M&G (Lux) Emerging Markets Bond Fund

- Past performance is not a guide to future performance.
- Past performance has been calculated including tax, the ongoing charge and the performance fee but excluding entry and exit charges.
- Fund performance before the launch of the fund on 17 September 2018 is that of the Euro Class A Accumulation share class of the M&G Emerging Markets Bond Fund, which includes UK taxes but excludes entry and exit charges. The M&G Emerging Markets Bond Fund is a UK authorised fund which launched on 15 October 1999. The Euro Class A Accumulation share class launched on 19 April 2012. The Euro Class A Accumulation share class merged into the Euro Class A Accumulation share class of the M&G (Lux) Emerging Markets Bond Fund on 7 December 2018.

### Comparative Index:

17 September 2018 to 31 December 2018 - 1/3 JPM EMBI Global Diversified, 1/3 JPM CEMBI Broad Diversified, 1/3 JPM GBI-EM Global Diversified

## Practical information

The depositary is State Street Bank Luxembourg S.C.A.

For more information about this fund, please visit [www.mandg.lu/literature](http://www.mandg.lu/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.lu/remuneration](http://www.mandg.lu/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 17 September 2019.