

# 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) Sustainable Allocation Fund

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

Euro Class A – Accumulation shares ISIN no. LU1900799617

Managed by M&G Luxembourg S.A.

### Objective and investment policy

The fund aims to provide combined capital growth and income of 4-8% per year over any five-year period, while considering environmental, social and governance (ESG) factors.

**Core investment:** The fund typically invests in a mix of assets from anywhere in the world (including emerging markets) within the following net allocation ranges:

- 20-80% in bonds
- 20-60% in equities

Assets are selected that meet the investment manager's assessment of ESG factors and impact criteria. 10-30% of the fund is invested in companies that have a positive impact on society by addressing the world's social and environmental challenges, based on M&G's impact assessment methodology.

Companies deemed to be in breach of the United Nations Global Compact principles and/or involved in industries such as the production of tobacco or controversial weapons are excluded from the investment universe.

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

The fund invests in the above assets either directly or indirectly via derivatives or through other funds.

A minimum of 70% of the fund is typically invested in assets denominated in euro or in other currencies hedged back to euro.

**Other investment:** The fund may invest up to 20% in other assets, including 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 fund is actively managed. The approach to sustainable investment is through flexible asset allocation, implemented by investing in securities of companies or governments that uphold high standards of ESG behaviour. The approach combines research to work out the 'fair' value of assets over the long term with analysis of the economic fundamentals and market's short-term reactions to events, to identify investment opportunities.

#### Glossary terms

**United Nations Global Compact:** A United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.

#### Other information

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 can be higher when investing outside Europe.

### 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.
  - 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 may lose as much as or more than the amount invested.
  - 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.
  - 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 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 may invest in China A shares. Investments in assets from the People's Republic of China are subject to changeable political, regulatory and economic conditions, which may cause difficulties when selling or collecting income from these investments. In addition, such investment is made via the 'Stock Connects' systems, which may be more susceptible to clearing, settlement and counterparty risk. These factors could cause the fund to incur a loss.
  - 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.
  - 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	1.72%
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.co.uk/literature](http://www.mandg.co.uk/literature)**

## Past performance

The fund launched on 29 November 2018. There is insufficient information available to provide a useful indication of past performance. Past performance information will be shown when the fund has been in existence for a complete calendar year.

## Practical information

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

For more information about this fund, please visit [www.mandg.co.uk/literature](http://www.mandg.co.uk/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.co.uk/remuneration](http://www.mandg.co.uk/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.