

5 February 2026

Dear Shareholder

**Information for Shareholders in M&G (Lux) Sustainable Macro Flexible Credit Fund (the “Fund”),  
A sub-fund of M&G (Lux) Investment Funds 1 (the “Company”).**

**You are not required to take any action but we recommend that you read this letter.**

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

I am writing to you as a shareholder in the Fund to inform you of the upcoming merger of M&G (Lux) Fixed Maturity Bond Fund 1, a sub-fund of the Company (the ‘**Merging Fund**’) into the Fund (the “**Merger**”). The Merger is expected to take place on Thursday 16 April 2026 (the “**Effective Date**”).

Please be informed that the Merging Fund will be merged into the Fund in accordance with the terms of Article 1 (20) a) of the 2010 Law by transferring all of its assets and liabilities to the Fund following which it will be dissolved without going into liquidation.

The Merger is carried out in accordance with article 26 of the articles of incorporation and the Prospectus of the Company and is governed by Articles 65 to 76 of the 2010 Law and Articles 3 to 7 of CSSF Regulation 10-5 transposing Directive 2010/44/EU implementing Directive 2009/65/EC.

**Will the Merger have an impact on Fund Shareholders?**

The way in which the Fund is operated will not change and after the Merger it will continue to be managed in accordance with its current Investment Objective, Investment Policy and Investment Strategy. We do not anticipate that the Merger will have any material effect on the portfolio of the Fund. In particular, there will be no rebalancing of the Fund’s portfolio prior to or following the Merger Effective Date.

The Merging Fund is a fixed maturity bond fund with a maturity date of Thursday 16 April 2026. Most of its assets will have reached maturity prior to the Effective Date, and will therefore be held as cash. Any assets that have not matured by the Effective Date will be sold so that the proceeds, along with the remaining cash, can be transferred to the Fund. The costs of selling these assets will be borne by the Merging Fund’s Shareholders.

continued overleaf

Should the Merging Fund still hold any assets that do not align with the Fund on the Effective Date, these assets will be transferred into the Fund to complete the selling process and M&G will compensate investors in the Fund for any detrimental performance impact.

As a result of the Merger, the Fund will experience a sizeable inflow of cash from the Merging Fund. To protect existing investors in the Fund from potential dilution, we may implement a swing price adjustment to the Net Asset Value (“NAV”) per Share as outlined in the Prospectus. This adjustment ensures that the costs associated with the inflows are borne by the Merging Fund investors rather than impacting the existing investors in the Fund. Further information can be found in the ‘Merger costs’ section below.

### **Background and reason for the Merger**

The Merging Fund was launched on 16 April 2024 with a limited offer period and a fixed maturity date of 16 April 2026. It aims to deliver a total return (the combination of capital growth and income) over its two-year life term, while applying Environmental, Social and Governance (“ESG”) Criteria.

As the maturity date nears, the Board of Directors of the Company has considered a number of options for the Merging Fund and determined that offering Shareholders the opportunity to remain invested in the market through a merger in the Fund would be in the best interests of the Merging Fund’s Shareholders.

We have chosen the Fund as it provided the closest match to the Merging Fund within our range. We believe that the Merger will allow investors in the Merging Fund to benefit from new yield opportunities across different sectors, geographies, or through duration management techniques, without any adverse impact on the Fund’s Shareholders.

### **Procedure**

The Effective Date of the Merger is expected to be Thursday 16 April 2026. The Merger does not require the approval of Shareholders of either the Merging Fund or the Fund. Dealing in the Fund will not be suspended to facilitate the Merger.

Any income accrued in the Fund prior to the Merger will not be affected.

### **Merger costs**

M&G will bear any legal and administrative costs associated with carrying out the Merger. The Merging Fund will bear costs incurred in selling any assets that have not matured by the Effective Date.

In order to prevent dilution in the Fund, a swing price adjustment may be added to the NAV per Share at which Shares will be issued in the Fund. This swing price adjustment will cover the dealing costs associated with investing the cash received from the Merging Fund and will preserve the value of the underlying assets of the Fund. This ensures that the existing Shareholders of the Fund are not impacted by the Merger, and that these costs are borne by the Shareholders of the Merging Fund. Further information on the operation of the swing price adjustments is set out in the Swing pricing and dilution levy section of the Prospectus.

The Merger will not result in any additional taxes or charges for Shareholders in the Fund.

continued

**Right to sell or switch**

As stated above, we do not believe the Merger will have any adverse effect on the Fund's portfolio. However, if the changes detailed in this letter do not suit your investment need, you may sell your shares or switch to another sub-fund of Company, free of charge, at any point before or after the Effective Date. The procedures for selling, switching and transferring shares are set out in Company's Prospectus which can be found on our website [www.mandg.com](http://www.mandg.com) or by calling our Customer Services team.

**Reporting on the Merger**

Following the Merger, the report made by the auditor in respect of the Merger will be available upon request and free of charge by calling our Customer Services team using the contact details below.

**For more information**

If you are in any doubt as to the action to be taken or require further information on the changes or merger detailed in this letter, 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.

**Representative and paying agent in Switzerland**

The prospectus, KIID, 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,



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