

Notice to Shareholders of M&G (Lux) Investment Funds 1 (the ‘Company’)

This document is important and requires your attention

This document is important and requires your immediate attention. If in doubt, please seek professional advice. We recommend that you read this letter carefully.

We are writing to inform you of changes we are making to a number of the Company’s sub-funds (the “**Funds**”), at least one of which you are invested in. You do not need to take any action, but we recommend that you read any section relevant to you carefully.

The Company’s Prospectus (“**Prospectus**”), Hong Kong Covering Document of the Company and the product key facts statement (“**KFS**”) of the Funds (collectively the “**Hong Kong Offering Documents**”) will be updated to reflect the changes detailed in this notice in due course.

Other changes may have been made to the Prospectus that are not mentioned in this letter.

Defined terms used in this letter have the same meaning as in the Hong Kong Offering Documents, as may be amended and supplemented from time to time, unless otherwise defined hereafter.

Legal and administration costs associated with the changes

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

Making changes to your investment

You may sell your investment, or switch it to another sub-fund of the Company which is authorised by the Securities and Futures Commission (“**SFC**”)¹, free of charge, at any point before or after the changes have taken place, subject to our terms and conditions as set out in the Hong Kong Offering Documents.

For X Share Class holders², the switch would however be subject to the specific conditions applicable to switches between X share classes as described in the Company’s Prospectus. In addition, switches and redemptions from X share classes would be subject to the application of a Contingent Deferred Sales Charge as disclosed in the Prospectus.

Additional information

The Hong Kong Offering Documents and the latest annual and semi-annual reports of the Company are available and may be inspected and/or copies obtained, free of charge during usual business hours from the office of the Hong Kong Representative, M&G Investments (Hong Kong) Limited, at Unit 1002, LHT Tower, 31 Queen's Road Central, Central, Hong Kong and are also available at <https://www.mandg.com/investments/private-investor/en-hk>³ Once the revised Hong Kong Offering Documents are issued, they will be made available from the same sources.

¹ SFC authorisation is not a recommendation or endorsement of the Company or its sub-funds nor does it guarantee the commercial merits of the Company or its sub-funds or their performance. It does not mean the Company or its sub-funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

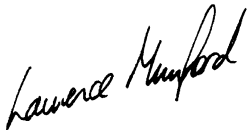
² X Share Classes are not available to Hong Kong retail investors.

³ This website not been reviewed by the SFC and may contain information of Funds not authorised by the SFC.

The Board of Directors of the Company accepts full responsibility for the accuracy of the information stated in the notice.

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 or by telephone on +352 2605 9944. We are open from 09:00 to 18:00 CET Monday to Friday. Alternatively, if you are resident in Hong Kong or subscribed through a Hong Kong-based financial intermediary, please contact the Hong Kong Representative at the address above or at +852 3725 3188 with any questions about the contents of this notice. For security and to improve the quality of our service we may record and monitor telephone calls.

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

17 September 2025

Where to find information relevant to the Fund(s) you hold

Fund name	Information on change(s) to the Fund to be found on page(s)
M&G (Lux) Emerging Markets Bond Fund	4; 7
M&G (Lux) Global Dividend Fund	7
M&G (Lux) Global Floating Rate High Yield Fund	4
M&G (Lux) Income Allocation Fund	6; 7
M&G (Lux) Optimal Income Fund	4; 7
M&G (Lux) Japan Fund	8

You may notice that the disclosure wording set out in this notice may differ from those in the Funds' KFSs. This is because the disclosure wording in this letter is based on wording in the Prospectus, which describes the full scope of the tools available to each fund manager and the limitations within which they must operate, whereas the information listed in the KFSs provides a shorter description.

1. Changes to:

- **M&G (Lux) Emerging Markets Bond Fund**
- **M&G (Lux) Global Floating Rate High Yield Fund**
- **M&G (Lux) Optimal Income Fund**

We will be amending the Funds' Investment Policies to specify that each Fund can hold up to 10% of its Net Asset Value ("**NAV**") in distressed debt securities and defaulted debt securities. The changes will become effective on 20 October 2025 (the "**Effective Date**").

As a result of the above change of Investment Policy, each of the Funds may be subject to Distressed and defaulted debt securities risk and each Fund Supplement's 'Main Risks' section, as well as the "What are the key risks?" section of each Fund's KFS, will be amended accordingly.

In addition to the amendment to the Funds' Investment Policies, we will also add a 'Downgrade policy' to each Fund's Investment Approach section within its Fund Supplement to clarify what action the Investment Manager may take in the event of a credit rating downgrade to a security or an issuer held by the Fund.

The Downgrade policy, as well as the Distressed and defaulted debt securities risk, can be found below, under the 'Additional information' section.

Why are the changes happening?

The changes will provide increased investment flexibility to the Funds. They will also provide more transparency for investors by providing additional details on what the Funds are able to invest in, and within what limits.

Whereas each of the Funds' Investment Policies will be updated in the manner set out above, there will be no change to the Funds' respective Investment Objectives and Investment Strategies, and where applicable, their classifications under the Sustainable Finance Disclosure Regulation ("SFDR") will remain unchanged. There will be no material change to the Funds' overall liquidity and risk profiles. The change will not result in any changes to the Funds' respective portfolios. There will be no change to the fee level / cost in managing the Funds.

While the Funds' Investment Policies will be updated in the manner set out above, it should be noted that there is no immediate intention to actively increase exposure to distressed debt beyond current levels, and as such, there is no immediate change to the way in which the Funds are operated. There will be no material prejudice to existing investors' rights or interests.

Additional information

Downgrade policy

In the event that a debt security's or an issuer's credit rating is downgraded, the credit standing will be assessed as soon as possible and appropriate actions for any specific relevant instrument within the Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Fund.

Distressed and defaulted debt securities risk

Investment in these types of securities involve significant risk. A Fund's investment in securities of an issuer in weak financial condition may include issuers with substantial capital needs or negative net worth or issuers that are, have been or may become, involved in bankruptcy or reorganisation proceedings.

Distressed securities frequently do not produce income while they are outstanding and may require the holders to bear certain extraordinary expenses in order to protect and cover its holding. Typically, an investment in distressed securities will be made when the Investment Manager believes either that the security is offered at a materially different level from what the Investment Manager believes to be its fair value, or that it is reasonably likely that the issuer will make an exchange offer or will be subject to a plan of reorganisation, however, there can be no assurance that such an exchange offer will be made, or such a plan of reorganisation will be adopted, or any securities or other assets received in connection with such an exchange offer or reorganisation plan will not have a lower value or income potential than anticipated when the initial investment was made.

Before investing in high yield bonds and on an ongoing basis, the Investment Manager will analyse whether such bonds are to be considered as distressed securities (or not) and will ensure compliance with the investment policy of the relevant Fund.

Defaulted securities are those for which the issuer failed to repay the principal and/or make interests payments.

Although investment in defaulted securities may result in significant returns for a Fund, it involves a substantial risk of liquidity.

The risk of loss due to default may be considerably greater with lower quality securities because they are generally unsecured and are often subordinated to other creditors of the issuer. If the issuer of a security in a Fund's portfolio defaults, the Fund may have unrealised losses on the security, which may lower the Fund's net asset value.

Defaulted securities tend to lose much of their value before they default. Thus, the Fund's net asset value may be adversely affected before an issuer defaults. In addition, the Fund may incur additional expenses if it must try to recover principal or interest payments on a defaulted security.

2. Changes to M&G (Lux) Income Allocation Fund

We will be increasing the Fund's expected average level of leverage under normal market conditions from **100% to 250%** of its Net Asset Value ("**NAV**"). The changes will become effective on 17 September 2025 (the "**Effective Date**").

There will be no change to the way the Fund is managed, with the Fund's Investment Objective, Investment Policy and Investment Approach remaining unchanged. There will be no material change to the Fund's overall risk profile. For the avoidance of doubt, the Fund's net derivative exposure remains unchanged and subject to the current limit of up to 50% of the Fund's NAV.

Why is the change happening?

In accordance with UCITS regulations, the Fund's expected average level of leverage is determined using the "Sum of Notionals" approach. This approach shows the Fund's "gross" total of derivative exposure by aggregating the sum of notional exposure of all derivatives used by the Fund, including those used for risk reduction purposes such as currency hedging. The approach does not take into account any netting of derivative positions against equivalent "offsetting" positions*.

In the case of the Fund, an increase in the use of forward foreign exchange contracts in recent years, partly due to the growth of Hedged Share Classes**, has led to a rise in its expected average level of leverage as calculated using the Sum of Notionals approach, and we will therefore update the Hong Kong Offering Documents in due course to reflect the increase.

*An offsetting transaction is a trade that cancels or offsets some or all of the market risk of an open position.

**Hedged Share Classes use forward foreign exchange contracts to reduce the effect of exchange rate fluctuations between the currency of the Hedged Share Class and the Reference Currency of the Fund.

3. Changes to the Investment Policies for the following Funds:

- M&G (Lux) Emerging Markets Bond Fund
- M&G (Lux) Global Dividend Fund
- M&G (Lux) Income Allocation Fund
- M&G (Lux) Optimal Income Fund

Effective from 17 September 2025 (the “Effective Date”), we will be clarifying the Funds’ Investment Policies in order to improve the transparency and clarity of the investment limits which are applied to the Funds. These changes are being made to ensure that the disclosures in the Prospectus are aligned with the descriptions of the investment policies currently set out in the HKCD and KFSs of the Funds.

Please note that the Funds’ Investment Objectives and Investment Strategies will remain unchanged and the amended Investment Policies will not result in any realignment of the Funds’ portfolios. The Funds’ risk profiles will also remain unchanged.

New wording being added to the Investment Policies as from the Effective Date

The limits detailed in the tables below already apply to the Funds but have not been expressly stated in the Investment Policies in the Prospectus. They are therefore being added for greater clarity and the new wording is shown in **bold**.

M&G (Lux) Emerging Markets Bond Fund
The Fund may invest up to 20% of its Net Asset Value in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.

M&G (Lux) Global Dividend Fund
The Fund may invest up to 20% of its Net Asset Value in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

M&G (Lux) Income Allocation Fund
Fixed income instruments that the Fund may invest in include the following: <ul style="list-style-type: none">• Chinese onshore bonds denominated in CNY traded on the China Interbank Bond Market, up to 10% of the Fund’s Net Asset Value• Cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash, up to 80% of the Fund’s Net Asset Value.
The Fund may invest up to 10% of its Net Asset Value in China A Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Exchange.

M&G (Lux) Optimal Income Fund
The Fund may invest up to 10% of its Net Asset Value in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.

The Hong Kong Offering Documents will be updated to reflect the changes above in due course.

4. Changes to the Investment Policy for M&G (Lux) Japan Fund

We will be amending the Fund's Investment Policy to increase the indicative number of companies that are **usually** held within the portfolio from **fewer than 50** to **fewer than 60**. The changes will become effective on 22 October 2025.

We will also move some wording from the Investment Policy to the Investment Approach for greater consistency with the way sub-fund information is presented in other Fund Supplements within the Prospectus.

Full details of the changes can be found in the comparison of the Fund's current and new Investment Policy and Investment Approach at the end of this section.

The changes will not result in any immediate changes to the Fund's portfolio, and we do not expect any material change to its liquidity and risk profile. You do not need to take any action as a result of this letter.

Why is the change happening?

Updating the number of companies usually held by the Fund to fewer than 60 offers greater flexibility for the Investment Manager to manage portfolio risk, and provides more clarity to investors on the typical number of holdings in the Fund. The increase in the number of companies held in the Fund is expected to improve portfolio trading efficiency by allowing more time to build or reduce company positions. This provides the opportunity for greater diversification via smaller positions in more companies which the Investment Manager believes have strong potential.

Additional information

The way in which the Fund is operated will be adjusted in accordance with the changes described above and the effects which this may have on your investments in the Fund are as outlined above. There will be no additional risks applicable to the Fund. There will be no change in the fee level / fee structure or costs in managing the Fund. There will be no material prejudice to existing investors' rights or interests. The approval of the Commission de Surveillance du Secteur Financier ("CSSF") will be obtained before the change takes effect.

Comparison of the current and updated Investment Policy for M&G (Lux) Japan Fund

The changes are highlighted in **bold**.

You may notice that the wording differs from that which is in the Fund's KFS. This is because the Prospectus and Hong Kong Covering Document describe the full scope of the tools available to the fund manager and the limitations within which they must operate, whereas the information listed in the KFS provides a shorter description. The revised KFS based on the Fund's new Investment Policy and Investment Strategy will be available to view at <https://www.mandg.com/investments/private-investor/en-hk>² in due course.

Investment Policy effective until 21 October 2025	Investment Policy effective from 22 October 2025
The Fund invests at least 80% of its Net Asset Value in the equity securities and equity-related instruments of companies that are domiciled in, or conducting the major part of their economic activity in, Japan. The Fund usually holds fewer than 50 stocks. The Investment Manager believes that market mispricings can and often do occur because psychological factors (i.e. behavioural biases) may prevent investors from always assessing investments	The Fund invests at least 80% of its Net Asset Value in the equity securities and equity-related instruments of companies that are domiciled in, or conducting the major part of their economic activity in, Japan. The Fund usually holds fewer than 60 stocks. The Investment Manager believes that market mispricings can and often do occur because psychological factors (i.e. behavioural biases) may prevent investors from always assessing investments

<p>rationally. As a result, market prices do not always reflect fundamental values.</p> <p>The Investment Manager believes that it is possible to profit systematically from such behavioural biases that are prevalent in the Japanese equity market.</p> <p>The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive ESG Tilt as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>	<p>rationally. As a result, market prices do not always reflect fundamental values. The Investment Manager believes that it is possible to profit systematically from such behavioural biases that are prevalent in the Japanese equity market.</p> <p>The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive ESG Tilt as described in the precontractual annex to this Fund Supplement.</p> <p>In addition to the above, the Fund may also invest in UCITS and other UCIs, considered to be consistent with its investment policy. The Fund may invest in cash (meaning deposits permitted by article 41(1) of the 2010 Law) and near cash. Investments in cash and near cash shall not exceed 20% of the Net Asset Value of the Fund unless otherwise permitted by this investment policy.</p> <p>The Fund may receive certain assets as a consequence of corporate actions such as mergers and acquisitions and restructures that are not consistent with its investment policy. The Fund will generally dispose of such assets to the extent possible but may continue to hold up to 10% of its Net Asset Value in such assets where the Investment Manager considers this to be in the best interest of investors.</p> <p>The Fund may use derivative instruments for the purposes of hedging and efficient portfolio management.</p>
<p>Investment Approach effective until 21 October 2025</p>	<p>Investment Approach effective from 22 October 2025</p>
<p>The Investment Manager aims to take advantage of market mispricings by adopting a disciplined, long-term investment approach.</p> <p>The Fund screens a wide investment universe to form a focused list of stocks which will trade on low valuations relative to their history and the market. These companies are then subject to disciplined and rigorous financial analysis. Attaining an understanding of a company's sustainable earnings ensures our financial analysis leads to a high level of conviction for each of the companies held in the Fund.</p> <p>The Investment Manager aims to construct a reasonably diversified portfolio and expects stock selection to be the main driver of performance.</p>	<p>The Investment Manager aims to take advantage of market mispricings by adopting a disciplined, long-term investment approach. The Investment Manager believes that market mispricings can and often do occur because psychological factors (i.e. behavioural biases) may prevent investors from always assessing investments rationally. As a result, market prices do not always reflect fundamental values. The Investment Manager believes that it is possible to profit systematically from such behavioural biases that are prevalent in the Japanese equity market.</p> <p>The Fund screens a wide investment universe to form a focused list of stocks which will trade on low valuations relative to their history and the market. These companies are then subject to disciplined and rigorous financial analysis. Attaining an understanding of a company's sustainable earnings ensures our financial analysis leads to a high level of conviction for each of the companies held in the Fund.</p> <p>The Investment Manager aims to construct a reasonably diversified portfolio and expects stock selection to be the main driver of performance.</p> <p>Investment Manager's ESG Classification The Fund is categorised as Planet+ / ESG Enhanced. The ESG categorisation of the Fund is explained in the section "ESG Glossary" of Appendix 1 of this Prospectus.</p>