

19 March 2026

Dear Shareholder

**Change of predetermined distribution yield of Share Classes in**

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

each a “Fund”, together the “Funds”, all sub-funds of **M&G (Lux) Investment Funds 1** (the “Company”).

**Please note that there will be no change to the Funds’ Investment Objectives and Investment Policies, and the Funds will continue to be managed in the same way.**

**You do not need to take any action, but we recommend that you read this letter carefully.**

Defined terms used in this letter have the same meaning as in the Company’s Prospectus and Hong Kong Covering Document and the product key facts statements (“**KFS**”) of each of the Funds (collectively the “**Hong Kong Offering Documents**”), as may be amended and supplemented from time to time, unless otherwise defined hereafter.

I am writing to inform you of a **decrease in the predetermined yield** applied for the Funds’ Share Classes with a fixed dividend policy (identified with a ‘F1’ suffix) to calculate the fixed distribution amount per Share which is paid to you every month. The changes are being implemented to better allow the Funds to deliver stable and sustainable dividend distributions to Shareholders in the future.

Details of the changes for impacted Share Classes can be found in this letter’s Appendix.

The change will become effective on Friday 1 May 2026 (the “**Effective Date**”), and will be implemented in the calculation of the monthly distributions paid out by the Funds’ ‘F1’ Shares on 26 June 2026.

**Risks associated with investments in these Share Classes**

You should be aware that the Share Classes listed in the Appendix may pay distributions out of investment income and capital (including net realised and unrealised investment gains and Shareholders’ initial investment). This is because, from time to time, the distribution paid (which is calculated using the predetermined annual yield and may not be linked to income or capital) may be more than the amount of investment income earned by the Fund.

The payment of distributions out of capital may exceed the net realised and unrealised investment gains of the Share Class and could result in an erosion of your initial investment. The capital would be eroded and “income” would be achieved by forgoing the potential for future capital growth of Shareholders’ investments in the Fund and the value of future returns may also be diminished.

The payment of distributions out of capital may have different tax implications to distributions paid out of income and be tax-inefficient in certain countries. You are recommended to seek appropriate tax advice in relation to investment in distribution Share Classes.

#### **Costs associated with the changes**

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

#### **Making changes to your investment**

You may switch your investment to another SFC-authorized<sup>1</sup> sub-fund of the Company, or sell it, free of charge at any point subject to our Terms and Conditions as set out in the Hong Kong Offering Documents.

#### **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><sup>2</sup>. Once the revised Hong Kong Offering Documents are issued, they will be made available from the same sources.

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 how the changes may affect you 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). 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 37253188 with any questions about the contents of this letter. For security and to improve the quality of our service we may record and monitor telephone calls.

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



Forbes Fenton  
Authorised signatory, M&G Luxembourg S.A.



Matthias Doerscher  
Director, M&G Luxembourg S.A.

acting for and on behalf of the board of directors of M&G (Lux) Investment Funds 1

Enc. Appendix: Comparison of current and updated predetermined yields and fixed monthly distribution amounts per Share for all share classes impacted by the changes

---

<sup>1</sup> 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.

<sup>2</sup> This website has not been reviewed by the SFC and may contain information on funds not authorised by the SFC.

**Appendix**  
**Comparison of current and updated predetermined yield**  
**for all Share Classes impacted by the changes**

Note that the fixed monthly distribution amount per share quoted below is based on each Fund's Net Asset Value as at 31 December 2025.

- **M&G (Lux) Emerging Markets Bond Fund**

Share Class	ISIN Number	Until the Effective Date		From the Effective Date	
		Predetermined distribution yield	Fixed monthly distribution amount per Share (in the Share Class currency)	Predetermined distribution yield	Fixed monthly distribution amount per Share (in the Share Class currency)
HKD A-H M F1 Dist	LU2917512969	9%	7.6379	8.5%	7.2135
USD A M F1 Dist	LU2917513009	9%	0.7790	8.5%	0.7357

- **M&G (Lux) Global Floating Rate High Yield Fund**

Share Class	ISIN Number	Until the Effective Date		From the Effective Date	
		Predetermined distribution yield	Fixed monthly distribution amount per Share (in the Share Class currency)	Predetermined distribution yield	Fixed monthly distribution amount per Share (in the Share Class currency)
AUD A-H M F1 Dist	LU2751578647	9%	0.6957	8.5%	0.6571
CHF A-H M F1 Dist	LU2842878436	9%	0.6866	8.5%	0.6484
HKD A-H M F1 Dist	LU2751578720	9%	6.8622	8.5%	6.4810
JPY A-H M F1 Dist	LU2842878519	9%	68.5612	8.5%	64.7522
SGD A-H M F1 Dist	LU2751579025	9%	0.6769	8.5%	0.6393
USD A M F1 Dist	LU2751576609	9%	0.7055	8.5%	0.6663

- **M&G (Lux) Optimal Income Fund**

Share Class	ISIN Number	Until the Effective Date		From the Effective Date	
		Predetermined distribution yield	Fixed monthly distribution amount per Share (in the Share Class currency)	Predetermined distribution yield	Fixed monthly distribution amount per Share (in the Share Class currency)
AUD A-H M F1 Dist	LU2751577169	6%	0.4847	5.5%	0.4443
CHF A-H M F1 Dist	LU2842878865	6%	0.4616	5.5%	0.4231
HKD A-H M F1 Dist	LU2751577243	6%	4.7747	5.5%	4.3768
JPY A-H M F1 Dist	LU2842879244	6%	46.0356	5.5%	42.1993
SGD A-H M F1 Dist	LU2249902789	6%	0.4085	5.5%	0.3745
USD A-H M F1 Dist	LU2249902607	6%	0.4352	5.5%	0.3990