

29 September 2023

Dear Shareholder

Closure of the M&G (Lux) Absolute Return Bond Fund (the “Fund”),
a sub-fund of M&G (Lux) Investment Funds 1 (the “Company”)

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

I am writing to inform you that the Company’s board of directors (the “Board”) has decided to put the Fund into liquidation on Friday 3 November 2023 (the “Effective Date”).

Background to and reason for the Fund’s liquidation

The Fund was launched in 2016 with the aim of providing investors with an absolute return on their investment through investment in a wide range of fixed income securities, whilst minimising the degree to which its value fluctuates over time. The Fund has not generated the expected level of interest from investors and as a result has not attained the size required to make it commercially viable and allow it to be operated in an economically efficient manner. Investor appetite for absolute return strategies has declined in recent years and we therefore believe there is little prospect for the Fund’s growth in the foreseeable future.

Consequently, the Company’s Board has made the decision to liquidate the Fund, as it believes it is in the best interest of its Shareholders, in compliance with article 25 of the Company’s articles of incorporation and the provisions of the Company’s Prospectus.

Note that subscriptions in the Fund have been closed as from the date of the decision of the Board to approve the liquidation of the Fund.

What happens to your investment in the Fund?

You may sell your investment in the Fund, or switch it to another sub-fund of the Company, before the Effective Date free of charge (but taking into account actual realisation prices of investments and realisation expenses) and in accordance with the terms of the Prospectus. Please ensure that valid dealing instructions are submitted before 13:00 CET on Thursday 2 November 2023.

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Should you remain in the Fund, we aim to ensure that the liquidation of the Fund causes as little disruption or inconvenience to you as possible. To help ensure an orderly and efficient termination process, the Fund may begin liquidating holdings into cash and cash equivalents in the period shortly before the Effective Date. During this period, the Fund's Investment Policy and investment restrictions relevant to the Fund may no longer be complied with.

The Fund will bear securities transaction costs only. The costs resulting from the liquidation of the portfolio holdings will be charged to the Fund on a trade-by-trade basis as part of the portfolio liquidation process, and have been reflected in the daily net asset value of the Fund as from the date of the decision of the Board to approve the liquidation of the Fund.

All other costs associated with the Fund's liquidation will be paid by M&G (excluding investor tax liabilities – see below).

What if I don't do anything?

The assets of the Fund will be realised in the best interest of the investors.

All the shares of the Fund will be redeemed at the applicable net asset value per share (but taking into account actual realisation prices of investments and realisation expenses) determined as at the Effective Date.

If you are still a Shareholder in the Fund on the Effective Date (being a "**Remaining Shareholder**"), you will receive the cash proceeds from such realisation in proportion to the shares you hold in the Fund*, that will be paid to your designated bank account as soon as practicable as from the Effective Date.

***Important information:**

The Fund has received a small balance in Rubles as an income payment arising from a security issued by a Russian entity (the "**Russian Cash**"). As a result of sanctions the Fund is not currently able to formally accept the Russian Cash as income and as a result it is not included in the Fund's net asset value.

Should the Fund receive any unexpected windfalls after its closure, the proceeds would be paid to the Remaining Shareholders.

After the closure of the liquidation of the Fund, any liquidation proceeds which could not be distributed to Shareholders will be deposited on their behalf with the *Caisse de Consignation* in Luxembourg.

Taxation

Please be aware that the tax consequences of the Fund's liquidation will vary depending on the law and regulations of your country of residence, citizenship or domicile. In particular, for shareholders in some jurisdictions, a closure will trigger a tax liability. If you are in any doubt about your potential liability to tax, you should consult a tax adviser.

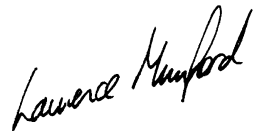
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For more information

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. 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

A handwritten signature in black ink that reads "Laurence Mumford". The signature is written in a cursive, flowing style.

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