

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) Dynamic Allocation Fund

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

Euro Class C – Distribution shares ISIN no. LU1582988645

Managed by M&G Luxembourg S.A., which is part of the Prudential Group

Objective and investment policy

The fund aims to provide a positive total return (combined income and capital growth) of 5-10% on average per year over any three-year period by investing in a mix of assets from anywhere in the world.

Core investment: The fund will typically invest within the following net allocation ranges:

- 0-80% in bonds
 - 20-60% in company shares
 - 0-20% in other assets (including convertibles and property-related securities)
- The fund typically invests in the above assets via derivatives. It may also invest in assets directly or through other funds. The ranges shown above are on a net basis, that is, 'long' positions (investments that profit from a rise in asset prices) net of 'short' positions (investments held via derivatives that profit from a fall in asset prices). Using derivatives to invest also allows the fund to create 'leverage', meaning that the fund can gain exposure to investments that exceed its value, thus increasing potential returns (or losses) in both rising and falling markets. In addition, derivatives are used to reduce risk and costs and to manage the impact of changes in currency exchange rates on the fund's investments.

Other investment: The fund may also invest in currencies and hold cash, deposits and warrants.

For more information on the types of bonds held and derivatives used, please refer to the Prospectus, which can be found by visiting www.mandg.co.uk/literature

Strategy in brief: The fund is managed with a highly flexible investment approach. The investment manager has the freedom to allocate capital between different types of assets in response to changes in economic conditions and asset prices. The approach combines in-depth research to work out the 'fair' value of assets over the medium to long term, with analysis of the market's short-term reactions to events, to identify investment opportunities. The fund seeks to manage risk by investing globally across multiple asset classes, sectors, currencies and countries. Where the investment manager believes opportunities are limited to a few areas, the portfolio may be very concentrated in certain assets or markets. The investment manager will normally hold at least 30% of the fund in euro, and at least 60% in US dollar, sterling and euro combined.

Glossary terms

Bonds: Loans to governments and companies that pay interest.

Convertibles: Bonds issued by companies that usually pay a set rate of interest and which can be exchanged for predetermined amounts of company shares.

Derivatives: Financial contracts whose value is derived from other assets.

Warrants: Financial contracts which allow the fund manager to buy stocks for a fixed price until a certain date.

Other information

This fund allows the fund manager(s) to make discretionary choices when deciding which investments should be held in the fund.

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 may be paid out to you quarterly.

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 may have a material impact on your returns.

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 of investments and the income from them will rise and fall. This will cause the fund price, as well as any income paid by the fund, to fall as well as rise. There is no guarantee the fund will achieve its objective, and you may not get back the amount you originally invested.
- The fund may take short positions through the use of derivatives which are not backed by equivalent physical assets. Short positions reflect an investment view that the price of the underlying asset is expected to fall in value. Accordingly, if this view is incorrect and the asset rises in value, the short position will cause the Fund to incur a loss.
- The value of the fund will fall if the issuer of a fixed income security held is unable to pay income payments or repay its debt (known as a default). Fixed income securities that pay a higher level of income usually have a lower credit rating because of the increased risk of default. The higher the rating the less likely it is that the issuer will default, but ratings are subject to change.
- Changes in currency exchange rates will affect the value of your investment.
- The manager will place transactions (including derivative transactions), hold positions and place cash on deposit with a range of financial institutions. There is a risk that the financial institutions may fail to meet their obligations or become insolvent.

A more detailed description of the risk factors 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	1.25%
Exit charge	0.00%
The entry charge is the maximum that might be taken out of your money before it is invested.	
Charges taken from the fund over a year	
Ongoing charge	0.97%
Charges taken from the fund under certain specific conditions	
Performance fee	None

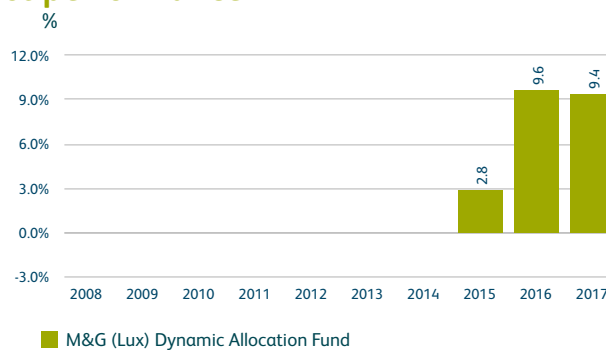
The entry and exit charges shown are the maximum figures and, in some cases, you may pay less. You can find out the exact charges which apply to your investment by contacting your financial adviser or distributor or, if you have invested directly with us, you can contact us using the details given in 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 Distribution shares, the ongoing charge is taken from investments held in the fund's portfolio and not from the income these investments produce. The deduction of this charge will reduce the potential growth of your investment.

For more information on charges, please see the relevant sections of the Prospectus at www.mandg.co.uk/literature

Past performance



- Past performance is not a guide to future performance.
- The past performance calculation excludes Luxembourg taxes. It does not take into account the entry and exit charges but does take into account the ongoing charge and the performance fee, as shown in the charges section.
- On 16 March 2018 the M&G Dynamic Allocation Fund (a UK authorised UCITS) merged into this fund. The past performance shown before the launch of this fund on 16 January 2018 is based on the on-going charge of the M&G Dynamic Allocation Fund, which may not be exactly the same as this fund, and includes UK taxes. It does not take into account the entry and exit charges. The M&G Dynamic Allocation Fund launched on 3 December 2009. The Euro Class C distribution share class launched on 8 August 2014.
- Past performance is calculated using Euro Class C Distribution shares.

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 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. 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 01 October 2018.