

Clearstream Banking SA
42 Avenue JF Kennedy
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LUXEMBOURG

26 July 2024

Dear Investor

**Changes to the Investment Policy for M&G (Lux) Japan Smaller Companies Fund (the “Fund”),
a sub-fund of M&G (Lux) Investment Funds 1 (the “Company”)**

We recommend that you read this letter carefully.

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

I am writing to inform you of our plans to amend 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 Thursday 5 September 2024. Full details of the changes can be found in the comparison of the Fund’s current and new Investment Policy in the Appendix at the end of this letter.

The change 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 fund 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, and provides the opportunity for greater diversification via smaller positions in more companies with strong potential.

continued overleaf

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, free of charge, at any point subject to our terms and conditions.

For more information

If you are in any doubt as to the contents of this letter 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 faithfully



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

Enclosure: Appendix: Comparison of the current and updated Investment Policy for M&G (Lux) Japan Smaller Companies Fund



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**Appendix: Comparison of the current and updated Investment Policy for
M&G (Lux) Japan Smaller Companies Fund**

The changes are highlighted in **bold**.

You may notice that the wording differs from those in the Fund's Key Information Documents (KIDs)*. This is because the Prospectus describes 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 K(I)IDs provides a shorter description. K(I)IDs based on the Fund's new Investment Objective, Investment Policy and Investment Strategy will be available to view at www.mandg.com

* Or Key Investor Information Documents (KIIDs) for UK investors

Investment Policy until Wednesday 4 September 2024	Investment Policy from Thursday 5 September 2024
<p>The Fund invests at least 80% of its Net Asset Value in equity securities and equity-related instruments of smaller companies that are incorporated, domiciled, or do most of their business in Japan. Smaller companies are defined as the bottom half in terms of total market capitalisation of all publicly listed companies in Japan.</p> <p>The Fund usually holds a concentrated portfolio of fewer than 50 companies.</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>Derivatives may be used for efficient portfolio management and hedging.</p>	<p>The Fund invests at least 80% of its Net Asset Value in equity securities and equity-related instruments of smaller companies that are incorporated, domiciled, or do most of their business in Japan. Smaller companies are defined as the bottom half in terms of total market capitalisation of all publicly listed companies in Japan.</p> <p>The Fund usually holds a portfolio of fewer than 60 companies.</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>Derivatives may be used for efficient portfolio management and hedging.</p>