

M&G Japan Fund Sterling Class I – Accumulation shares

Monthly Fund Review as at 31 May 2024

For investment professionals only

Highlights

- In May, Japan underperformed other major equity indices. The recent earnings season has continued to paint a picture of health overall, but there have been some erratic share price moves. This is perhaps unsurprising, given the long period during which the market has been trending higher.
- Key detractors in the month included one of our largest active holdings, Nippon Telegraph and Telephone. Our view continues to be that the market is not giving any notice to its IOWN technology. Real estate developers Mitsubishi Estate and Mitsui Fudosan also detracted. Together they have been amongst our best performers over the past year and we have trimmed our holdings to reflect this. Key contributors included Credit Saison, a technology-led credit services provider; Hitachi, a multinational conglomerate known for its wide range of industrial and consumer products and Kawasaki Heavy Industries, a manufacturer of transportation equipment and industrial goods.
- We neither sold nor added any stocks to the portfolio in this month.

The main risks associated with this fund

For any past performance shown, please note that past performance is not a guide to future performance.

The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

The fund holds a small number of investments, and therefore a fall in the value of a single investment may have a greater impact than if it held a larger number of investments.

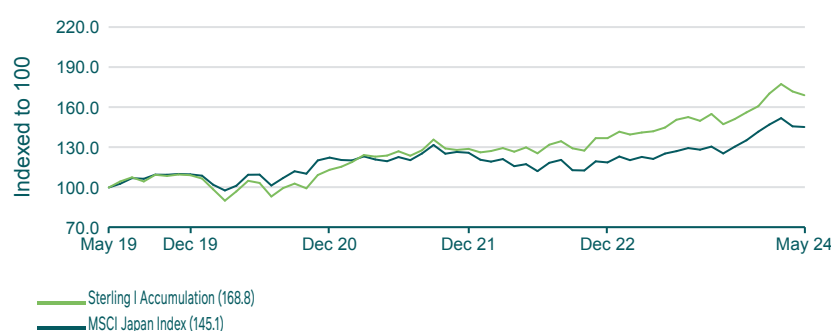
The fund can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.

Further risk factors that apply to the fund can be found in the fund's Prospectus.

Single year performance (5 years)

	2023	2022	2021	2020	2019
Sterling I Accumulation	14.0%	6.3%	13.8%	3.6%	8.4%
MSCI Japan Index	14.0%	-5.8%	3.0%	11.4%	15.4%
Sector	11.0%	-8.4%	1.6%	13.9%	17.1%

Performance over 5 years



Fund performance

	1 month	3 months	YTD	1 year	3 years p.a.	5 years p.a.
Sterling I Accumulation	-1.6%	-0.7%	8.2%	16.7%	10.9%	11.0%
MSCI Japan Index	-0.3%	-1.2%	7.3%	15.9%	6.7%	7.7%
Sector	-0.5%	-1.6%	4.6%	10.8%	3.4%	6.4%

Past performance is not a guide to future performance.

Performance comparison: The fund is actively managed. The benchmark is a target which the fund seeks to outperform. The index has been chosen as the fund's target benchmark as it best reflects the scope of the fund's investment policy. The target benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

Source: Morningstar, Inc and M&G, as at 31 May 2024. Returns are calculated on a price to price basis with income reinvested. Benchmark returns stated in GBP terms.

Performance charts © 2024 Morningstar Inc., All Rights Reserved. The information contained within: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Key information

Fund manager(s)	Carl Vine
Fund manager tenure from	20 September 2019
Deputy fund manager(s)	Dave Perrett
ISIN	GB00B74CQP79
Launch date of fund	06 April 1971
Launch of share class	03 August 2012
Fund size (millions)	£ 3,317.15
Benchmark(s)	MSCI Japan Index
Benchmark type	Target
Sector	IA Japan sector
Number of companies	49
Historic yield	1.21%
Portfolio turnover over 12 months	19.47%
VaR	9.20%
Payment dates	Apr, Oct
Ex-dividend dates	Mar, Sep

Charges

Maximum entry charge	0.00%
Ongoing charge	0.49%

Risk characteristics

As at 31/05/2024	Fund
Alpha (%)	4.39
Information ratio	0.92
Sharpe Ratio	0.75
Historic tracking error (%)	4.57
Beta	0.87
Standard deviation (%)	11.01
Forecast tracking error (active risk, %)	3.01
Active share (%)	64.44

Things you should know

The fund invests mainly in company shares and is therefore likely to experience larger price fluctuations than funds that invest in bonds and/or cash.

Fund ratings as at 31 May 2024

Morningstar Medalist Rating™	Analyst-Driven %
	100
	Data Coverage %
	100

Overall Morningstar rating
Financial Express Crown Rating



Fund Calibre Rating
Source of Morningstar ratings: Morningstar
Source: Financial Express
Source: FundCalibre

Yes

Ratings should not be taken as a recommendation.

Industry breakdown (%)

	Fund	Index	Relative weight
Industrials	26.7	23.1	3.6
Consumer discretionary	23.1	18.6	4.5
Financials	14.4	14.6	-0.2
Information technology	11.9	15.0	-3.2
Communication services	5.7	6.7	-1.0
Consumer staples	4.8	5.4	-0.6
Real Estate	4.3	2.6	1.8
Health care	3.8	7.7	-3.9
Materials	2.3	4.1	-1.8
Utilities	0.0	1.3	-1.3
Energy	0.0	0.9	-0.9
Cash	3.0	0.0	3.0

Largest overweights (%)

	Fund	Index	Relative weight
Seven & I Holdings	4.8	0.8	4.0
Orix Corporation	4.3	0.7	3.6
Mitsui	4.9	1.7	3.2
Mitsubishi UFJ	6.2	3.1	3.1
Hitachi	5.5	2.5	2.9
Nippon Telegraph and Telephone Corporation	3.4	0.8	2.6
Sumitomo Forestry	2.3	0.0	2.3
Credit Saison	2.2	0.0	2.2
Toyota Industries Corporation	2.4	0.4	2.1
Nikon Corp.	2.0	0.0	2.0

Largest underweights (%)

	Fund	Index	Relative weight
Sumitomo Mitsui Financial Group	0.0	2.2	-2.2
Mitsubishi Corporation	0.0	1.9	-1.9
Shin-Etsu Chemical	0.0	1.8	-1.8
Daiichi Sankyo	0.0	1.7	-1.7
Tokio Marine	0.0	1.7	-1.7
Keyence	0.8	2.3	-1.5
Nintendo	0.0	1.5	-1.5
Itochu Corporation	0.0	1.5	-1.5
Mizuho Financial Group	0.0	1.3	-1.3
Hoya	0.0	1.1	-1.1

Largest holdings (%)

	Fund	Index	Relative weight
Mitsubishi UFJ	6.2	3.1	3.1
Toyota	5.7	6.1	-0.4
Hitachi	5.5	2.5	2.9
Mitsui	4.9	1.7	3.2
Seven & I Holdings	4.8	0.8	4.0
Orix Corporation	4.3	0.7	3.6
Nippon Telegraph and Telephone Corporation	3.4	0.8	2.6
Sony	3.0	2.7	0.3
Recruit Holdings	2.9	2.0	0.9
Toyota Industries Corporation	2.4	0.4	2.1

Currency breakdown (%)

	Fund	Index	Relative weight
Japanese yen	99.7	100.0	-0.3
British pound	0.2	0.0	0.2
US dollar	0.1	0.0	0.1

Country breakdown (%)

	Fund	Index	Relative weight
Japan	96.9	100.0	-3.1
Israel	0.1	0.0	0.1
Cash	3.0	0.0	3.0

Capitalisation breakdown (%)

	Fund	Index	Relative weight
Mega cap (> \$50bn)	41.0	46.4	-5.5
Large cap (\$10 - \$50bn)	31.4	42.1	-10.7
Mid cap (\$2 - \$10bn)	18.3	11.4	6.9
Small cap (< \$2bn)	6.3	0.0	6.3
Cash	3.0	0.0	3.0

Fund codes and charges

Share class	ISIN	Bloomberg	Currency	Share class launch date	Ongoing charge	Historic yield	Minimum initial investment	Minimum top up investment
Sterling A Acc	GB0030938475	MGSJAPA LN	GBP	06/04/1971	0.89%*	0.88%	£500	£100
Sterling A Inc	GB0030938368	MGSJAPI LN	GBP	09/05/1977	0.89%*	1.68%	£500	£100
Sterling I Acc	GB00B74CQP79	MGJAPIA LN	GBP	03/08/2012	0.49%*	1.21%	£500,000	£10,000
Sterling I Inc	GB00B6Z42S01	MGJAPII LN	GBP	03/08/2012	0.49%*	1.68%	£500,000	£10,000
Sterling I-H Acc	GB00BDCQNH43	MGJPNIH LN	GBP	14/06/2023	0.52%*	1.14%	£500,000	£10,000
Sterling I-H Inc	GB00BQ66TV72	MGJPPH LN	GBP	14/06/2023	0.42%*	1.22%	£50,000,000	£10,000
Sterling R Acc	GB00B56V4L08	MGJAPRA LN	GBP	03/08/2012	0.74%*	1.01%	£500	£100
Sterling R Inc	GB00B7MTFH57	MGJAPRI LN	GBP	03/08/2012	0.74%*	1.68%	£500	£100

Any ongoing charge figure with * indicates an estimate. The ongoing charge figure may vary from year to year and excludes portfolio transaction costs. The charges are mostly, if not exclusively, the Annual Charge which may be discounted depending on the size of the fund. For further details, please see the fund's Key Investor Information Document (KIID). The fund's annual report for each financial year will include details on the exact charges made. Please go to www.mandg.co.uk/literature to view the Costs and charges illustration which contains information on the costs and charges applicable to your chosen fund and share class.

Please note that not all of the share classes listed above might be available in your country. Please see the Important Information for Investors document and the relevant fund's Prospectus for more information on the risks associated with this fund and which share classes are available for which product and which investor type.

Important information

Cash may be held on deposit and/or in the Northern Trust Cash Funds, a range of collective investment schemes.

The M&G Japan Fund is a sub-fund of M&G Investment Funds (1).

The Morningstar Overall Rating based on the fund's Sterling Class I shares. Copyright © 2024 Morningstar UK Limited. All Rights Reserved. Ratings should not be taken as recommendation.

The value of investments will fluctuate, which will cause fund prices to fall as well as rise and investors may not get back the original amount invested. **For financial advisers only. Not for onward distribution. No other persons should rely on any information contained within.**

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