

M&G Asian Fund Sterling Class I – Accumulation shares

Monthly Fund Review as at 31 May 2024

For investment professionals only

Highlights

- Emerging market equities rose during the month of May but lagged their developed market counterparts. At the country level, Singapore and Taiwan outperformed, however South Korea lagged behind. The main driver of the fund's relative performance was stock selection. Stockpicking in the industrial sector, where the fund has an overweight position, also proved to be beneficial.
- The top contributors to relative performance were China-based companies Yangzijiang Shipbuilding Holdings, a shipbuilding and marine engineering manufacturer and Hainan Meilan International Airport Company, which is engaged in both aeronautical and non-aeronautical businesses. Australia-based Amcor, a global packaging company, also contributed positively. On the other hand, Bank Mandiri and Bank Rakyat Indonesia, two of the largest banks in Indonesia and Weichai Power, a China-based manufacturer of diesel engines, had a negative impact.
- We made no new additions to the portfolio or closed any positions in May.

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.

Investing in emerging markets involves a greater risk of loss as there may be difficulties in buying, selling, safekeeping or valuing investments in such countries.

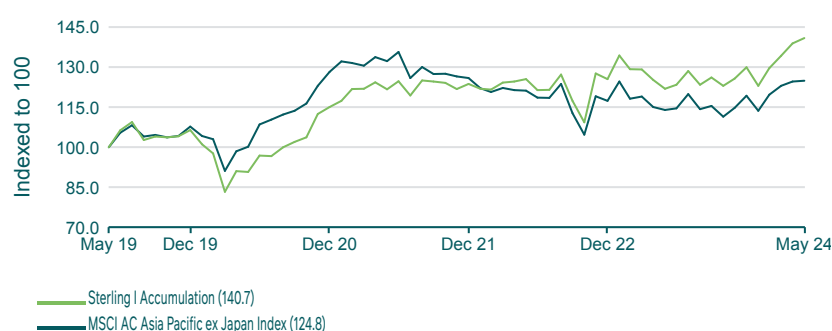
The fund can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.

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 | 3.5% | 1.4% | 7.5% | 8.1% | 15.4% |
| MSCI AC Asia Pacific ex Japan Index | 1.6% | -6.8% | -1.8% | 19.0% | 14.9% |
| Sector | -0.9% | -6.8% | 1.5% | 19.9% | 15.9% |

Performance over 5 years



Fund performance

| | 1 month | 3 months | YTD | 1 year | 3 years p.a. | 5 years p.a. |
|-------------------------------------|---------|----------|------|--------|--------------|--------------|
| Sterling I Accumulation | 1.4% | 8.6% | 8.4% | 15.5% | 5.0% | 7.1% |
| MSCI AC Asia Pacific ex Japan Index | 0.2% | 4.4% | 4.7% | 9.6% | -1.9% | 4.5% |
| Sector | -0.2% | 3.6% | 3.8% | 6.3% | -2.3% | 4.6% |

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) | David Perrett |
| Fund manager tenure from | 30 November 2019 |
| Deputy fund manager(s) | Carl Vine |
| ISIN | GB00B6SQYF47 |
| Launch date of fund | 16 August 1996 |
| Launch of share class | 03 August 2012 |
| Fund size (millions) | £ 265.19 |
| Benchmark(s) | MSCI AC Asia Pacific ex Japan Index |
| Benchmark type | Target |
| Sector | IA Asia Pacific Excluding Japan sector |
| Number of companies | 76 |
| Historic yield | 2.37% |
| Portfolio turnover over 12 months | 29.62% |
| VaR | 8.75% |
| Payment dates | Oct |
| Ex-dividend dates | Sep |

Charges

| | |
|----------------------|-------|
| Maximum entry charge | 0.00% |
| Ongoing charge | 0.60% |

Risk characteristics

| As at 31/05/2024 | Fund |
|--|-------|
| Alpha (%) | 6.85 |
| Information ratio | 1.80 |
| Sharpe Ratio | 0.21 |
| Historic tracking error (%) | 3.80 |
| Beta | 1.01 |
| Standard deviation (%) | 15.43 |
| Forecast tracking error (active risk, %) | 3.36 |
| Active share (%) | 65.83 |

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 % |
| | 10 |
| | Data Coverage % |
| | 93 |

Overall Morningstar rating

Financial Express Crown Rating

Source of Morningstar ratings: Morningstar
Source: Financial Express

Ratings should not be taken as a recommendation.



Largest holdings (%)

| | Fund | Index | Relative weight |
|------------------------|------|-------|-----------------|
| Taiwan Semiconductor | 8.5 | 8.2 | 0.3 |
| Samsung Electronics | 4.8 | 3.8 | 1.0 |
| Tencent Holdings | 3.4 | 4.0 | -0.6 |
| HDFC Bank | 2.6 | 0.7 | 2.0 |
| DBS | 2.5 | 0.7 | 1.8 |
| AIA | 2.4 | 1.1 | 1.2 |
| Pacific Basin Shipping | 2.3 | 0.0 | 2.3 |
| BHP Group | 2.2 | 2.0 | 0.2 |
| Amcor | 2.2 | 0.0 | 2.2 |
| Alibaba Group Holding | 1.7 | 2.0 | -0.2 |

Industry breakdown (%)

| | Fund | Index | Relative weight |
|------------------------|------|-------|-----------------|
| Financials | 26.0 | 22.9 | 3.0 |
| Information technology | 18.6 | 22.3 | -3.7 |
| Consumer discretionary | 13.9 | 12.5 | 1.4 |
| Industrials | 11.8 | 7.4 | 4.4 |
| Communication services | 8.8 | 8.5 | 0.4 |
| Materials | 6.9 | 7.7 | -0.8 |
| Energy | 3.8 | 4.1 | -0.3 |
| Real Estate | 3.3 | 3.0 | 0.3 |
| Utilities | 1.8 | 2.8 | -1.0 |
| Health care | 1.6 | 4.5 | -2.9 |
| Consumer staples | 0.9 | 4.2 | -3.3 |
| Cash | 2.5 | 0.0 | 2.5 |

Country breakdown (%)

| | Fund | Index | Relative weight |
|-------------|------|-------|-----------------|
| China | 29.9 | 25.9 | 4.0 |
| South Korea | 12.8 | 11.1 | 1.7 |
| Taiwan | 10.2 | 17.1 | -6.9 |
| Hong Kong | 10.1 | 3.6 | 6.5 |
| Australia | 9.1 | 14.5 | -5.4 |
| India | 7.9 | 17.8 | -9.9 |
| Singapore | 7.2 | 2.9 | 4.3 |
| Indonesia | 3.2 | 1.5 | 1.7 |
| Other | 7.0 | 5.6 | 1.4 |
| Cash | 2.5 | 0.0 | 2.5 |

Largest overweights (%)

| | Fund | Index | Relative weight |
|-----------------------------------|------|-------|-----------------|
| Pacific Basin Shipping | 2.3 | 0.0 | 2.3 |
| Amcor | 2.2 | 0.0 | 2.2 |
| HDFC Bank | 2.6 | 0.7 | 2.0 |
| DBS | 2.5 | 0.7 | 1.8 |
| Crystal International Group | 1.7 | 0.0 | 1.7 |
| Yangzijiang Shipbuilding Holdings | 1.7 | 0.0 | 1.7 |
| Netlink NBN Trust | 1.5 | 0.0 | 1.5 |
| China Tower Corp | 1.5 | 0.1 | 1.5 |
| BOC Hong Kong Holdings | 1.6 | 0.2 | 1.4 |
| KE Holdings | 1.6 | 0.2 | 1.4 |

Largest underweights (%)

| | Fund | Index | Relative weight |
|----------------------------------|------|-------|-----------------|
| Commonwealth Bank of Australia | 0.0 | 1.8 | -1.8 |
| China Construction Bank | 0.0 | 0.9 | -0.9 |
| HON HAI Precision Industry | 0.0 | 0.9 | -0.9 |
| Westpac Banking | 0.0 | 0.8 | -0.8 |
| Wesfarmers | 0.0 | 0.6 | -0.6 |
| CSL | 0.5 | 1.2 | -0.6 |
| Macquarie Group | 0.0 | 0.6 | -0.6 |
| Pinduoduo | 0.6 | 1.2 | -0.6 |
| Tencent Holdings | 3.4 | 4.0 | -0.6 |
| Hong Kong Exchanges and Clearing | 0.0 | 0.5 | -0.5 |

Currency breakdown (%)

| | Fund | Index | Relative weight |
|-------------------|------|-------|-----------------|
| Hong Kong dollar | 31.3 | 23.2 | 8.1 |
| Korean won | 12.8 | 11.1 | 1.7 |
| US dollar | 10.4 | 3.0 | 7.4 |
| New Taiwan Dollar | 10.2 | 17.3 | -7.0 |
| Australian dollar | 9.8 | 16.0 | -6.3 |
| Singapore dollar | 9.0 | 2.5 | 6.5 |
| Indian rupee | 8.0 | 17.8 | -9.8 |
| Indonesian rupiah | 3.2 | 1.5 | 1.7 |
| Thai baht | 2.5 | 1.3 | 1.1 |
| Other | 2.9 | 6.3 | -3.4 |

Capitalisation breakdown (%)

| | Fund | Index | Relative weight |
|---------------------------|------|-------|-----------------|
| Mega cap (> \$50bn) | 40.1 | 45.4 | -5.3 |
| Large cap (\$10 - \$50bn) | 29.8 | 37.3 | -7.6 |
| Mid cap (\$2 - \$10bn) | 18.4 | 17.3 | 1.1 |
| Small cap (< \$2bn) | 9.2 | 0.0 | 9.2 |
| Other | 0.0 | 0.0 | 0.0 |
| Cash | 2.5 | 0.0 | 2.5 |

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 | GB0030939556 | MGSSEAA LN | GBP | 14/09/1973 | 1.00% | 2.04% | £500 | £100 |
| Sterling A Inc | GB0030939440 | MGSSEAI LN | GBP | 14/09/1973 | 1.00% | 3.22% | £500 | £100 |
| Sterling I Acc | GB00B6SQYF47 | MGASSIA LN | GBP | 03/08/2012 | 0.60% | 2.37% | £500,000 | £10,000 |
| Sterling I Inc | GB00B3T2RX98 | MGASSII LN | GBP | 03/08/2012 | 0.60% | 3.20% | £500,000 | £10,000 |
| Sterling R Acc | GB00B7DBH187 | MGASSRA LN | GBP | 03/08/2012 | 0.85% | 2.17% | £500 | £100 |
| Sterling R Inc | GB00B756RM25 | MGASSRI LN | GBP | 03/08/2012 | 0.85% | 3.21% | £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

The fund launched on 14 September 1973. The fund re-launched on 16 August 1996. On this date the fund's name, objective, performance benchmark and sector changed.

The M&G Asian 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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