

M&G Asian Fund Sterling Class I – Accumulation shares

Monthly Fund Review as at 29 February 2024

For investment professionals only

Highlights

- February saw a major rally in Asian stockmarkets, led by a rebound in Chinese equities. Against this backdrop, the fund's relative performance benefited from both strong country allocation and stock selection. At the country level, South Korea added the most value, due to favourable stockpicking. Conversely, China was the largest drag on relative performance due to unfavourable security selection which more than offset gains from our overweight positioning.
- The main contributors were South Korean companies Hyundai Motor and Samsung Life, as well as China-based Hainan Meilan International Airport. Hyundai's share price soared following news of the company's plan to list its Indian business on India's booming stockmarket. Conversely, our holdings in Australian packaging firm Amcor, and Indian financials, Bandhan Bank and HDFC Bank, detracted the most. Bandhan Bank has underperformed its peers due to concerns over its loan portfolio.
- We participated in the IPO of Indian luxury hotel developer, Juniper Hotels.

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.

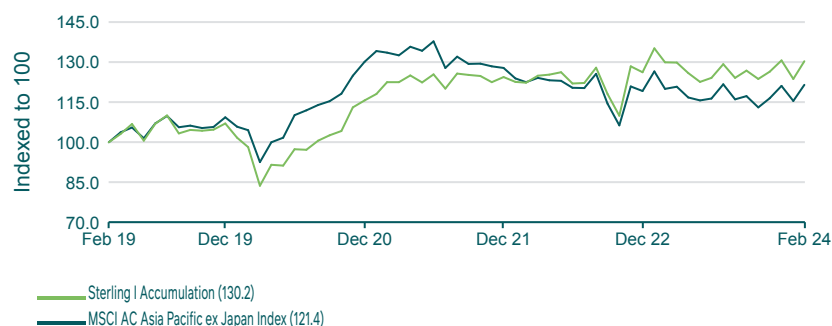
The fund can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.

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	5.4%	3.1%	-0.2%	0.3%	2.1%	5.4%
MSCI AC Asia Pacific ex Japan Index	5.2%	4.3%	0.3%	1.3%	-3.1%	4.0%
Sector	4.7%	3.8%	0.2%	-2.0%	-3.3%	4.3%

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 29 February 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)	£ 220.51
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	2.64%
Portfolio turnover over 12 months	28.19%
VaR	9.18%
Payment dates	Oct
Ex-dividend dates	Sep

Charges

Maximum entry charge	0.00%
Ongoing charge	0.60%

Risk characteristics

As at 29/02/2024	Fund
Alpha (%)	5.27
Information ratio	1.37
Sharpe Ratio	0.06
Historic tracking error (%)	3.80
Beta	1.00
Standard deviation (%)	15.31
Forecast tracking error (active risk, %)	3.27
Active share (%)	66.76

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 29 February 2024

Morningstar Medalist Rating™	Analyst-Driven %
 Bronze	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	7.9	7.4	0.5
Samsung Electronics	5.0	4.2	0.8
Tencent Holdings	2.9	3.2	-0.3
DBS	2.8	0.6	2.1
HDFC Bank	2.5	0.7	1.8
BHP Group	2.4	2.0	0.4
Pacific Basin Shipping	2.1	0.0	2.1
Hyundai Motor	2.1	0.5	1.6
Amcor	2.0	0.0	2.0
National Australia Bank Limited	2.0	0.9	1.0

Industry breakdown (%)

	Fund	Index	Relative weight
Financials	26.3	22.9	3.5
Information technology	18.6	21.9	-3.3
Consumer discretionary	13.5	12.7	0.8
Industrials	11.7	7.4	4.3
Communication services	7.7	7.9	-0.2
Materials	7.1	7.6	-0.4
Energy	4.2	4.3	-0.1
Real Estate	3.9	3.3	0.6
Utilities	2.2	2.7	-0.5
Health care	1.5	4.9	-3.5
Consumer staples	1.1	4.5	-3.4
Other	0.5	0.0	0.5
Cash	1.8	0.0	1.8

Country breakdown (%)

	Fund	Index	Relative weight
China	30.3	24.9	5.4
South Korea	14.4	12.1	2.3
Australia	10.4	14.9	-4.5
Taiwan	9.8	16.0	-6.2
Hong Kong	9.5	3.9	5.6
India	8.6	17.4	-8.7
Singapore	6.4	2.9	3.5
US	2.6	1.6	1.0
Other	6.3	6.4	-0.1
Cash	1.8	0.0	1.8

Largest overweights (%)

	Fund	Index	Relative weight
DBS	2.8	0.6	2.1
Pacific Basin Shipping	2.1	0.0	2.1
Amcor	2.0	0.0	2.0
HDFC Bank	2.5	0.7	1.8
Yangzijiang Shipbuilding Holdings	1.8	0.0	1.8
Netlink NBN Trust	1.7	0.0	1.7
China Tower Corp	1.7	0.1	1.6
Hyundai Motor	2.1	0.5	1.6
Samsung Life Insurance	1.6	0.1	1.5
KB Financial Group	1.7	0.3	1.5

Largest underweights (%)

	Fund	Index	Relative weight
Commonwealth Bank of Australia	0.0	1.7	-1.7
China Construction Bank	0.0	0.8	-0.8
Westpac Banking	0.0	0.8	-0.8
CSL	0.6	1.2	-0.7
Wesfarmers	0.0	0.7	-0.7
Macquarie Group	0.0	0.6	-0.6
Tata Consultancy Services	0.0	0.6	-0.6
NetEase	0.0	0.6	-0.6
HON HAI Precision Industry	0.0	0.6	-0.6
Hong Kong Exchanges and Clearing	0.0	0.5	-0.5

Currency breakdown (%)

	Fund	Index	Relative weight
Hong Kong dollar	30.0	22.5	7.6
Korean won	14.7	12.1	2.6
Australian dollar	13.0	16.5	-3.5
New Taiwan Dollar	9.8	16.2	-6.4
Indian rupee	8.6	17.4	-8.7
Singapore dollar	8.1	2.6	5.5
US dollar	8.1	2.7	5.3
Indonesian rupiah	2.3	1.9	0.5
Thai baht	2.2	1.5	0.7
Other	3.0	6.7	-3.7

Capitalisation breakdown (%)

	Fund	Index	Relative weight
Mega cap (> \$50bn)	41.0	43.2	-2.2
Large cap (\$10 - \$50bn)	28.8	38.5	-9.7
Mid cap (\$2 - \$10bn)	20.2	18.3	1.9
Small cap (< \$2bn)	8.0	0.0	8.0
Other	0.2	0.0	0.2
Cash	1.8	0.0	1.8

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%*	2.28%	£500	£100
Sterling A Inc	GB0030939440	MGSSEAI LN	GBP	14/09/1973	1.00%*	3.58%	£500	£100
Sterling I Acc	GB00B6SQYF47	MGASSIA LN	GBP	03/08/2012	0.60%*	2.64%	£500,000	£10,000
Sterling I Inc	GB00B3T2RX98	MGASSII LN	GBP	03/08/2012	0.60%*	3.57%	£500,000	£10,000
Sterling R Acc	GB00B7DBH187	MGASSRA LN	GBP	03/08/2012	0.85%*	2.41%	£500	£100
Sterling R Inc	GB00B756RM25	MGASSRI LN	GBP	03/08/2012	0.85%*	3.58%	£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.

Approach to responsible investment

	Yes	No	N/A
ESG integration	✓		
Additional ESG specifications		✓	
Exclusions	✓		
Cluster munitions & anti personnel landmines	✓		
Other exclusions or restrictions		✓	
Voting	✓		
Engagement	✓		

Please see glossary for further explanation of these terms.

Climate Metrics

	Weighted Average Carbon Intensity	Coverage by portfolio weight (%)
Sterling I Accumulation	173.32	98.46%
Benchmark	260.61	99.54%

Source: MSCI

ESG Standard Glossary

Additional ESG specifications: In the context of M&G, these are funds managed with an explicit ESG objective, outcome or in accordance with specific ESG criteria, and will have a number of minimum exclusions in place.

Engagement: Interaction with company management on various financial and non-financial, including ESG, issues. Engagement allows investors to better understand how a company is undertaking its operations and how it is interacting with its stakeholders, as well as advising on and influencing company behaviour and disclosures where appropriate.

ESG integration: Describes the explicit and systematic inclusion of Environmental, Social and Governance factors in investment analysis and investment decisions. It underpins a responsible investment approach, and allows investors to better manage risk and generate sustainable, long-term returns.

Exclusions: The exclusion or restriction of investments based on the sector in which they operate, the products or services they provide or for other specific criteria, i.e. they are deemed to be in breach of the United Nations Global Compact principles on human rights, labour the environment and anti-corruption.

Voting: As the partial owners of a company, shareholders have the right to vote on resolutions put forward at a company's annual general meeting. These resolutions include the re-election of directors, executive remuneration and business strategy, among others, and may include resolutions put forward by shareholders.

Explanation of our climate metrics

The Weighted Average Carbon Intensity (WACI) is the metric used to report our funds' carbon emissions. It is a measure of how much CO2 is being emitted per US\$ million of sales by each company that the fund invests in. This can be used to determine the likely effect a company is having on the environment. It can also help to compare the impact different companies have on the environment, and to compare companies against the broad market or the financial benchmark for the fund. However, this metric does not take into account the difference in carbon characteristics among sectors.

The WACI metric is one of many greenhouse gas emissions data points, each offering a different aspect of analysis on climate impact. M&G have selected this metric as it is applicable to multi-asset, equity and fixed income funds and it is aligned to the recommendations from the Taskforce for Climate Related Financial Disclosures (TCFD). It has also been chosen to align with M&G's groupwide target of transparency when it comes to the disclosure of climate emissions.

At M&G we currently use MSCI as our main third-party data provider for carbon intensity data as we consider its coverage to be the broadest of the current providers. As with any mass data collection, there are methodology limitations; this also applies to MSCI. We make every effort to check its data and are currently building our own tools which will use a variety of data sources to gather and map the carbon emissions of our funds.

For the avoidance of doubt, this fund is not managed to a carbon emission objective and, the benchmark WACI (should funds have a benchmark) has been included for information purposes only.

Important information

With effect from November 2023, we are reporting using our internal accounting book of record (ABOR) moving away from the investment book of record (IBOR) used for reporting up to October 2023. 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.**

This financial promotion is issued by M&G Securities Limited which is authorised and regulated by the Financial Conduct Authority in the UK and provides ISAs and other investment products. The company's registered office is 10 Fenchurch Avenue, London EC3M 5AG. Registered in England and Wales. Registered Number 90776.

240313122509 UK A1 FARE GBP I EN UK 0005 0000

Contact M&G

Private Investors
www.mandg.com/investments/private-investor/en-gb
0800 390 390

Charities
www.mandg.com/investments/charities/en-gb

Professional investor
www.mandg.com/investments/professional-investor/en-gb

Institutional
www.mandg.com/investments/institutional/en-gb

For your protection calls may be recorded or monitored.