

M&G Japan Fund Sterling Class I – Accumulation shares

Monthly Fund Review as at 31 December 2024

For investment professionals only

Highlights

- Japanese equities outperformed global equities in December. The Bank of Japan decided to maintain interest rates at 0.25 percent, which added to selling pressure on the yen. Performance of the fund was affected by the negative market value adjustment that happened on the last day of the month.
- Key detractors included Seven & i Holdings, Peptidream and East Japan Railway. Seven & i shares gave up some of their recent gains in December. Key contributors to the fund's relative performance included Toyota Industries, the world's largest provider of fork lifts and the world's third largest provider of warehouse automation services; Sony and Aisin.
- We added a new position in Yamato Holdings and took profit from positions in Sparx Group, Tokio Marine Holdings and Takeda Pharmaceutical.

The main risks associated with this fund

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.

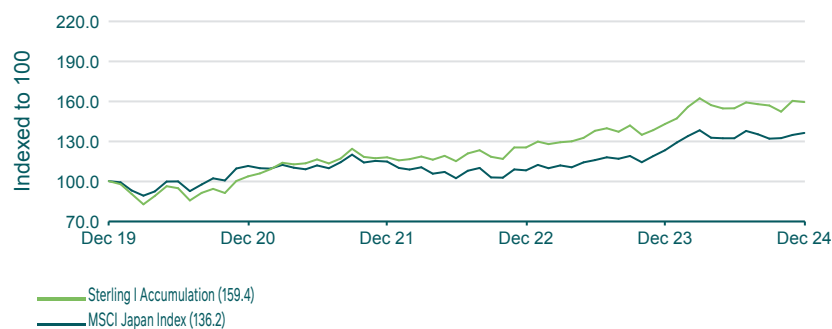
The fund can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.

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

Single year performance (5 years)

	2024	2023	2022	2021	2020
■ Sterling I Accumulation	11.6%	14.0%	6.3%	13.8%	3.6%
■ MSCI Japan Index	10.6%	14.0%	-5.8%	3.0%	11.4%
■ Sector	8.6%	11.0%	-8.4%	1.6%	13.9%

Performance over 5 years



Fund performance

	1 month	3 months	YTD	1 year	3 years p.a.	5 years p.a.
■ Sterling I Accumulation	-0.5%	1.7%	11.6%	11.6%	10.6%	9.8%
■ MSCI Japan Index	1.2%	3.3%	10.6%	10.6%	5.9%	6.4%
■ Sector	0.1%	1.6%	8.6%	8.6%	3.4%	5.0%

Past performance is not a guide to future performance.

Performance comparison: The benchmark is a target which the Fund seeks to outperform. The index has been chosen as the Fund's benchmark as it best reflects the scope of the Fund's investment policy. The benchmark is used solely to measure the Fund's performance and does not constrain the Fund's portfolio construction. The Fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the Fund. The Fund's holdings may deviate significantly from the benchmark's constituents. For each Share Class the Benchmark will be denominated or hedged into the relevant share class currency. The Benchmark for each Share Class will be shown in its respective KIID.

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

Performance charts © 2025 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)	£ 3,704.25
Benchmark(s)	MSCI Japan Index
Benchmark type	Target
Sector	IA Japan sector
Number of companies	54
Historic yield	1.26%
Portfolio turnover over 12 months	34.54%
VaR	9.49%
Payment dates	Apr, Oct
Ex-dividend dates	Mar, Sep

Charges

Maximum entry charge	0.00%
Ongoing charge	0.51%

Risk characteristics

As at 31/12/2024	Fund
Alpha (%)	4.70
Information ratio	0.87
Sharpe Ratio	0.67
Historic tracking error (%)	5.35
Beta	0.84
Standard deviation (%)	10.38
Forecast tracking error (active risk, %)	2.90
Active share (%)	62.40

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 December 2024

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

Overall Morningstar rating

Financial Express Crown Rating

Fund Calibre Rating

Rayner Spencer Mills (RSM) Rating

Source of Morningstar ratings: Morningstar

Source: Financial Express

Source: FundCalibre

Source: RSMR Group

Ratings should not be taken as a recommendation.



Yes

Yes

Industry breakdown (%)

	Fund	Index	Relative weight
Industrials	25.7	23.4	2.4
Consumer discretionary	20.5	18.9	1.7
Financials	14.5	15.7	-1.3
Information technology	11.5	13.8	-2.3
Communication services	6.5	7.3	-0.8
Health care	5.5	7.7	-2.2
Consumer staples	4.5	5.2	-0.7
Real Estate	4.4	2.3	2.1
Materials	3.0	3.8	-0.8
Utilities	0.0	1.1	-1.1
Energy	0.0	0.8	-0.8
Cash	3.9	0.0	3.9

Largest holdings (%)

	Fund	Index	Relative weight
Mitsubishi UFJ	6.9	3.5	3.4
Toyota	5.2	5.5	-0.3
Sony	4.9	3.6	1.4
Orix Corporation	4.1	0.7	3.5
Mitsui	3.9	1.4	2.5
Hitachi	3.6	3.1	0.5
Seven & I Holdings	3.6	0.9	2.6
Softbank Group	3.5	1.5	2.0
Nippon Telegraph and Telephone Corporation	3.1	0.8	2.3
East Japan Railway Company	2.9	0.4	2.5

Capitalisation breakdown (%)

	Fund	Index	Relative weight
Mega cap (> \$50bn)	38.1	46.3	-8.2
Large cap (\$10 - \$50bn)	34.4	43.1	-8.8
Mid cap (\$2 - \$10bn)	18.6	10.6	8.0
Small cap (< \$2bn)	5.0	0.0	5.0
Cash	3.9	0.0	3.9

Largest overweights (%)

	Fund	Index	Relative weight
Orix Corporation	4.1	0.7	3.5
Mitsubishi UFJ	6.9	3.5	3.4
Seven & I Holdings	3.6	0.9	2.6
Mitsui	3.9	1.4	2.5
East Japan Railway Company	2.9	0.4	2.5
Nippon Telegraph and Telephone Corporation	3.1	0.8	2.3
Credit Saison	2.0	0.0	2.0
Softbank Group	3.5	1.5	2.0
Toyota Industries Corporation	2.2	0.4	1.9
Mitsubishi Estate	2.2	0.4	1.8

Currency breakdown (%)

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

Currency exposures in the table above show positions after hedging to the fund's reference/valuation currency.

Largest underweights (%)

	Fund	Index	Relative weight
Sumitomo Mitsui Financial Group	0.0	2.4	-2.4
Tokio Marine	0.0	1.8	-1.8
Fast Retailing	0.0	1.8	-1.8
Nintendo	0.0	1.6	-1.6
Shin-Etsu Chemical	0.0	1.6	-1.6
Mizuho Financial Group	0.0	1.6	-1.6
Itochu Corporation	0.0	1.6	-1.6
Mitsubishi Corporation	0.0	1.5	-1.5
Kddi Corporation	0.0	1.3	-1.3
Daiichi Sankyo	0.0	1.3	-1.3

Country breakdown (%)

	Fund	Index	Relative weight
Japan	95.9	100.0	-4.1
US	0.2	0.0	0.2
Cash	3.9	0.0	3.9

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	0.91%	0.90%	£500	£100
Sterling A Inc	GB0030938368	MGSJAPI LN	GBP	09/05/1977	0.91%	1.74%	£500	£100
Sterling I Acc	GB00B74CQP79	MGJAPIA LN	GBP	03/08/2012	0.51%	1.26%	£500,000	£10,000
Sterling I Inc	GB00B6Z42S01	MGJAPII LN	GBP	03/08/2012	0.51%	1.73%	£500,000	£10,000
Sterling I-H Acc	GB00BDCQNH43	MGJPNIH LN	GBP	14/06/2023	0.53%	1.18%	£500,000	£10,000
Sterling R Acc	GB00B56V4L08	MGJAPRA LN	GBP	03/08/2012	0.76%	1.03%	£500	£100
Sterling R Inc	GB00B7MTFH57	MGJAPRI LN	GBP	03/08/2012	0.76%	1.74%	£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 © 2025 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.

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