

Marketing communication

M&G launches Japanese equities fund to provide exposure to the largest companies in the market

London, 16 December 2024 – M&G today announces the launch of the M&G (Lux) Japan Large Cap Opportunities Fund (the Fund), an actively managed equity strategy that offers investors access to the structural trends that underpin the long-term growth of Japan's largest companies.

Building on the success of M&G's strong and long-standing capabilities in investing in Japan, the fund complements M&G's award-winning¹ range of Japanese equity funds, including the M&G Japan and M&G Japan Smaller Companies strategies, with a new building block solution that focuses on generating alpha from large-cap companies in Japan. This fund will allow investors to access the long-term growth of the Japanese corporate sector and aims to benefit from the pricing inefficiencies even at the most liquid end of the market.

Aiming to achieve a total return (through both capital appreciation and income) that exceeds the S&P/Topix 150 Net Return Index over any five-year period, while incorporating ESG criteria, the Fund will be managed by Citywire AA-rated² Carl Vine. Carl brings extensive experience and a proven track record in managing M&G's successful Japanese equity strategies and will be supported by the M&G Asia Pacific Equity Team, which manages more than \$23 billion in assets across the region.

Japan's corporate sector is on a path of structural growth, fuelled by an improving macroeconomic environment, the end of deflation, and significant business culture transformations which presents substantial long-term opportunities for investors. Applying a bottom-up stock picking approach, the team will select stocks and actively seek opportunities where significant discrepancies exist between a company's price and the risk of ownership. In addition, the fund will incorporate the team's Value-added Shareholdership approach, where they engage with investee companies to help them unlock their potential for long-term sustainable growth and value creation to the benefit of the shareholders and our clients.

Carl Vine, Co-Head of Asia-Pacific Equities, said: "Japanese equities represent a compelling long-term investment opportunity as Japanese corporates are increasingly profit-driven in their decision-making, which is expected to drive strong compound growth in earnings over future years. Voting capital has become valuable in the Japanese market so as investors with decades of experience in Japan and deep knowledge of company management, we are well placed to support the long-term growth of these businesses."

"M&G has long been recognised for its strong investment capabilities in Japan, with our funds having a long track record of generating alpha while navigating volatile market conditions," said **Fabiana Fedeli, Chief Investment Officer, Equities, Multi Asset and Sustainability at M&G Investments**. "While foreign investor interest is on the rise, the long-term growth potential of Japanese companies remains underappreciated, presenting compelling opportunities for active and engaged investors like us." she added.

The Fund will be classified as SFDR Article 8.

¹ Investment Week Fund Manager of the Year Awards, 2024. Japan Winner: M&G Japan Fund; Citywire Italia Portfolio Manager and Group Awards 2024. Best Fund Group Equity – Japan: M&G Investments; RSMR 'R Awards' 2024. Best Japanese Equity Fund: M&G Japan

² Source: Citywire, Carl Vine, 30 November 2024

-ENDS-

M&G (Lux) Japan Large Cap Opportunities Fund

Investment policy:

The Fund aims to provide a higher total return (capital growth plus income) than that of the Japanese Large Cap equity market over any five-year period while applying ESG Criteria.

The Fund invests at least 80% of its Net Asset Value in the equity securities and equity related instruments of large cap companies that are incorporated, listed, domiciled or do most of their business in Japan. The Fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive ESG Tilt.

Main risks associated with this fund:

The value and income from the fund's assets will fluctuate. 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 can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.

ESG information from third-party data providers may be incomplete, inaccurate or unavailable. There is a risk that the investment manager may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the portfolio of the strategy.

Sustainability information:

The Fund promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments.

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About M&G Investments

M&G Investments is part of M&G plc, a savings and investment business which was formed in 2017 through the merger of Prudential plc's UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G plc listed as an independent company on the London Stock Exchange in October 2019 and has £346.1 billion of assets under management (as at 30 June 2024). M&G plc has customers in the UK, Europe, the Americas and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate.

M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme.

M&G plc has committed to achieve net zero carbon emissions on its total book of assets under management and administration by 2050 and committed to reduce operational carbon emissions as a corporate entity to net zero by 2030. For more information, please visit: <https://global.mandg.com/>

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