

M&G launches China equity fund to tap into long term strategic opportunity

London, 9 September 2024 – M&G Investments today announces the launch of the **M&G China Fund** (the Fund) to provide investors with access to one of the world’s most compelling markets for long term stock picking. The launch coincides with Chinese equity valuations reaching all-time lows whilst companies increasingly focus on boosting shareholder returns.

The Fund will be managed by David Perrett who has spent more than three decades investing in China and the wider region. He will be supported by Singapore-based Deputy Fund Manager, Jamie Zhou and the wider Asia Pacific equity investment team which manages circa \$23 billion in assets across the region.

The **M&G China Fund’s** investment approach will centre on a universe of circa 300 Chinese stocks, which have been curated following more than 30 years of rigorous coverage and investment research. With a strong focus on risk pricing, the team’s high conviction, bottom-up stock picking approach will leverage its extensive knowledge and network of companies and contacts in the region.

“In our view, China’s stock market capitalisation is currently disproportionately small compared to the size of its economy, with many stocks trading at compelling levels of valuation. At the same time, many Chinese companies are showing improving operational resilience during recent tough times and are increasingly focused on maximising profits and boosting shareholder returns through both higher dividends and share buy-backs,” **says David Perrett, manager of the M&G China Fund and co-head of the Asia Pacific equity investment team.**

“In addition to ongoing corporate self-help, many Chinese businesses are also leaders in globally growing areas such as renewable energy and digital supply chain-management. We believe our bottom-up stock picking approach, combined with rigorous risk management should enable us to deliver consistent and attractive returns for our investors.”

The team manages sizable mandates investing in Asian and Japanese equities on behalf of M&G Life’s £129 billion With Profits Fund, as it sought to further diversify its geographical allocation*. In 2021, they were awarded a mandate to invest in Chinese equities that has grown to \$1.14 billion. The launch of this Fund is part of M&G’s strategy to make its investment capabilities more widely available to external investors, with a focus on the UK Wealth Management sector as they seek to increasingly allocate more globally.

Fabiana Fedeli, CIO, Equities, Multi Asset & Sustainability at M&G Investments, adds: “Active management is essential for investors who want to capture the long-term growth potential of China, whilst avoiding the pitfalls and volatility of the market. We are delighted to launch the M&G China Fund and provide our investors with this opportunity, led by a team with decades of experience in the region.”

Available to UK investors as a daily dealing fund, **the M&G China Fund** will aim to provide a higher total return (capital growth plus income) net of OCF than that of the MSCI China with 100% China A Share Index over any five-year period. Typically holding between 50-80 stocks, its focus will be on quality companies with strong balance sheets, sustainable cash flows and attractive valuations.

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About M&G’s Asia Pacific Equities investment team

Today the team of 13 led by David Perrett and Carl Vine manages circa \$23 billion in assets across various strategies investing in Asia ex Japan, Japan, China and India, and using a bottom up stock selection-led process.

Notes to Editors***M&G as of December 2023****If you require any further information, please contact:****M&G 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 of 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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