

M&G Investment Funds (12)

**Annual report and audited financial statements
for the year ended 31 January 2026**



Contents

Authorised Corporate Director's Report	1
Directors' statement	3
Depository's Responsibilities and Report	4
Independent Auditor's Report	5
Financial statements and notes	8
Authorised Corporate Director's Reports, including the portfolio statements, financial highlights, financial statements and notes for:	
M&G European ex-UK Fund	14
M&G Global Strategic Value Fund	41
Other regulatory disclosures	67

Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Investment Funds (12) presents its annual report and audited financial statements for the year ended 31 January 2026.

The audited financial statements of M&G Investment Funds (12), the Authorised Corporate Director's Reports including the portfolio statements, financial highlights and the audited financial statements and notes of each sub-fund are presented in their individual sections of this report as set out in the contents page.

Please note that an explanation of key investment terminology is available on our website at mandg.com/private-investor/glossary. A printed copy of the glossary is available upon request by calling customer services and administration as shown within the 'Investor information' section of this report.

Company information

M&G Investment Funds (12) is an umbrella Open-Ended Investment Company (OEIC) and contains two sub-funds, hereinafter referred to as 'funds' in the rest of this report. Each fund is a UK UCITS (Undertakings for Collective Investment in Transferable Securities) scheme as defined in the Collective Investment Schemes sourcebook, as issued (and amended) by the Financial Conduct Authority (FCA). This OEIC is an Investment Company with Variable Capital (ICVC) incorporated under the Open-Ended Investment Companies Regulations 2001. It is authorised and regulated by the FCA under the Financial Services and Markets Act 2000.

The Company was authorised on 2 November 2011. The M&G Global Strategic Value Fund was launched on 17 February 2012 and the M&G European ex-UK Fund was launched on 10 April 2025.

The Company's principal activity is to carry out business as an OEIC. The Company is structured as an umbrella company, and different funds may be established by the ACD from time to time with the agreement of the Depositary and approval from the FCA. The funds are operated separately and the assets of each fund are

managed in accordance with the investment objective and policy applicable to that fund.

As at 31 January 2026 none of the funds held shares of the other funds within this OEIC.

A shareholder is not liable for the debts of the Company and will never be liable to make any further payment to the Company after paying the purchase price of the shares.

Fund Managers

The following fund managers are employed by M&G FA Limited which is an associate of M&G Securities Limited.

M&G European ex-UK Fund

Richard Halle

M&G Global Strategic Value Fund

Richard Halle, Shane Kelly and Daniel White

ACD

M&G Securities Limited

10 Fenchurch Avenue, London EC3M 5AG, UK

Telephone: 0800 390 390 (UK only)

(Authorised and regulated by the Financial Conduct Authority. M&G Securities Limited is a member of the Investment Association and of The Investing and Saving Alliance)

Directors of the ACD

M Arona, N J Brooks*, C Dobson** (non executive director), S C Ellis*** (non executive director), P R Jelfs, M A Kwiatkowski****, M McGrade (non executive director), L J Mumford

* Resigned 30 June 2025.

** Resigned 1 October 2025.

*** Appointed 12 March 2025.

**** Appointed 4 December 2025.

Investment manager

M&G Investment Management Limited

10 Fenchurch Avenue, London EC3M 5AG, UK

(Authorised and regulated by the Financial Conduct Authority)

Authorised Corporate Director's Report

Registrar

SS&C Financial Services Europe Ltd
SS&C House, St. Nicholas Lane, Basildon
Essex SS15 5FS, UK
(Authorised and regulated by the Financial Conduct Authority)

Depository

NatWest Trustee & Depository Services Limited
House A, Floor 0, Gogarburn, 175 Glasgow Road
Edinburgh EH12 1HQ, UK
(Authorised and regulated by the Financial Conduct Authority)

Independent auditor

Ernst & Young LLP
Atria One, 144 Morrison Street, Edinburgh EH3 8EX, UK

Annual value assessment

An annual assessment report is available which shows the value provided to investors in each of M&G's UK-based funds. The assessment report evaluates whether M&G's charges are justified in the context of the overall service delivered to its investors. The latest report can be found on our website at mandg.com/investments/valueassessment

Climate-related Financial Disclosures (TCFD)

We have produced TCFD reports in compliance with the FCA's rules on climate-related financial disclosures. The TCFD fund reports are designed to help you understand the impact these funds have on the climate and equally how climate change could influence the performance of these funds. The reports will also give you the ability to compare a range of climate metrics with other funds. To understand the governance, strategy and risk management that M&G has in place to manage the risks and opportunities related to climate change, please refer to the M&G Investments Management TCFD report.

These reports are available via the Sustainability Disclosures page on our website at mandg.com/footer/sustainability-disclosures

Important information

On 10 April 2025 the M&G European ex-UK Fund was launched within M&G Investment Funds (12).

Effective from 6 February 2026, M&G Investments has updated its Thermal Coal Investment Policy ('the Policy'). A summary of the update can be found at group.mandg.com/thermal-coal-investment-policy-changes

Please refer to the 'Investment review' section for details on any significant events during the period. Investment reviews may become quickly outdated in relation to ongoing economic and geopolitical events.

Investor information

The Prospectus, Instrument of Incorporation, Key Investor Information Documents, costs and charges illustration, the latest annual or interim investment report and financial statements as well as a list of purchases and sales are available free of charge on request from the following address. The Instrument of Incorporation can also be inspected at our offices or at the office of the Depository.

Customer services and administration for UK clients:

M&G Securities Limited
PO Box 9039, Chelmsford CM99 2XG, UK

Please remember to quote your name and M&G client reference and sign any written communication to M&G. Failure to provide this will affect your ability to transact with us.

Telephone: 0800 390 390 (UK only)

For security purposes and to improve the quality of our service, we may record and monitor telephone calls. You will require your M&G client reference. Failure to provide this will affect your ability to transact with us.

Authorised Corporate Director's Report

Authorised Corporate Director's Responsibilities

The Authorised Corporate Director (ACD) is required to prepare annual and interim reports for the Company. The ACD must ensure that the financial statements, contained in this report, for each of the funds are prepared in accordance with the Investment Association Statement of Recommended Practice for Financial Statements of UK Authorised Funds (SORP) and UK Financial Reporting Standards, and give a true and fair view of the net revenue or expenses and net capital gains or losses for the accounting period, and the financial position at the end of that period.

The ACD is required to keep proper accounting records, and to manage the Company in accordance with the Collective Investment Schemes sourcebook, as issued (and amended) by the FCA, the Instrument of Incorporation and the Prospectus, and to take reasonable steps for the prevention and detection of fraud or other irregularities. Additionally, the ACD is responsible for preparing the financial statements on a going concern basis unless it is appropriate to presume that the Company will not continue in operation.

Directors' statement

This report has been prepared in accordance with the requirements of the Collective Investment Schemes sourcebook, as issued and amended by the FCA.

M&G Securities Limited
1 April 2026

Depository's Responsibilities and Report

Statement of the Depository's Responsibilities and Report of the Depository to the Shareholders of M&G Investment Funds (12) ('the Company') for the year ended 31 January 2026

The Depository must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depository must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depository is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depository must ensure that:

- the Company's cashflows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM") are carried out (unless they conflict with the Regulations).

The Depository also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depository of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Edinburgh
1 April 2026

NatWest Trustee and
Depository Services Limited

Independent Auditor's Report

Independent Auditor's Report to the shareholders of M&G Investment Funds (12)

Opinion

We have audited the financial statements of M&G Investment Funds (12) ("the Company") comprising each of its sub-funds for the year ended 31 January 2026, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables for each of its sub-funds, and the Notes applicable to the Financial Statements of all sub-funds, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company comprising each of its sub-funds as at 31 January 2026, and of the net revenue and the net capital gains on the scheme property of the Company comprising each of its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Authorised Corporate Director's ("the ACD") use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

Independent Auditor's Report

We have nothing to report in this regard.

Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (the "FCA")

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Instrument of Incorporation; and
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter in relation to which the rules of the Collective Investment Schemes Sourcebook of the FCA require us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the ACD

As explained more fully in the ACDs' responsibilities statement set out on page 3, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Independent Auditor's Report

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), the Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the OEIC Regulations, the Company's Instrument of Incorporation and the Prospectus.
- We understood how the Company is complying with those frameworks through discussions with the ACD and the Company's administrator and a review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's opportunity to influence revenue and amounts available for distribution.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing of journal entries, with a particular focus on manually posted entries and those reflecting large and unusual transactions. We also reviewed the reporting to the ACD with respect to the application of the documented policies and procedures and reviewed the financial statements to test compliance with the reporting requirements of the Company.
- Due to the regulated nature of the Company, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at

[frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities)

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's shareholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes sourcebook of the FCA. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Edinburgh
1 April 2026

Ernst & Young LLP
Statutory Auditor

Financial statements and notes

The financial statements for M&G Investment Funds (12) comprise the individual financial statements for each fund and the notes below.

Notes to the financial statements

1 Statement of compliance

The financial statements of M&G Investment Funds (12) have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017, except in relation to the separate disclosure in note 13.

2 Summary of significant accounting policies

a. Basis of preparation

There are no material events that have been identified that may cast significant doubt on the Company's ability to continue as a going concern for a period of twelve months from the date these financial statements are authorised for issue. The ACD believes that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements. The ACD has made an assessment of each fund's ability to continue as a going concern which is made as at the date of issue of these financial statements and considers liquidity, declines in global capital markets, investor intention, known redemption levels, expense projections and key service provider's operational resilience.

The financial statements of M&G Investment Funds (12) are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

b. Functional and presentational currency

The functional and presentational currency of M&G Investment Funds (12) is US dollars.

c. Exchange rates

Transactions in currencies other than each fund's functional currency are translated at the rate of exchange ruling on the date of the transaction and where applicable assets and liabilities are translated into the fund's functional currency at the rate of exchange ruling as at 12 noon on 30 January 2026 being the last business day of the accounting period.

d. Investments – recognition and valuation

The provisions of both Section 11 and Section 12 of FRS 102 have been applied in full. All investments have been classified as fair value through profit and loss and recognised initially at fair value, which is normally the transaction price (excluding transaction costs).

At the end of the reporting period all investments have been measured at their fair value using the prices and the portfolio holdings determined at 12 noon on 30 January 2026, being the last valuation point of the accounting period, as this is not materially different from a valuation carried out at close of business on the balance sheet date.

Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the single price or most recent transaction price is used. The methods of determining fair value for the principal classes of investment are:

- Equities which are traded on an active market are included at the quoted price, which is normally the bid price.
- Equities traded on the Alternative Investment Market (AIM), whose liquidity cannot be guaranteed, are included at their quoted bid price as this represents the most objective and appropriate method of valuation.

Financial statements and notes

- Collective investment schemes operated by the ACD are included at either their cancellation price for dual priced funds or their single price for single priced funds.
 - Collective investment schemes operated by another manager are included at either their bid price for dual priced funds or their single price for single priced funds.
 - Other equities which are unquoted or not actively traded on a quoted market are included at a value estimated by the ACD using an appropriate valuation technique.
 - Exchange traded futures and options are included at the cost of closing out the contract at the balance sheet date.
 - Over the counter equity options, credit default swaps, interest rate swaps, asset swaps and inflation swaps are included at a value provided by Markit Valuations Limited, an independent credit derivative price provider. Their fair value excludes any accrued interest in respect of derivatives where the income is revenue in nature.
 - Forward currency contracts, for share class hedging and investment, are included at a value determined by reference to current forward exchange rates for contracts with similar maturity profiles.
- e. Recognition of income and expenses**
- Dividends, including ordinary stock dividends, from equity investments are recognised when the security is quoted ex-dividend.
 - Distributions from collective investment schemes are recognised when the scheme is priced ex-distribution.
 - Bank interest is recognised on an accruals basis.
 - Underwriting commission is recognised when the issue takes place.
- Revenue from derivatives is recognised on an accruals basis.
 - Fee rebates from investing in other collective investment schemes are recognised on an accruals basis.
 - Expenses are recognised on an accruals basis.
- f. Treatment of income and expenses**
- Any increases or decreases in the fair value of investments and gains and losses realised on sales of investments are treated as capital and recognised in net capital gains/(losses).
 - The value of any enhancement to a stock dividend is treated as capital.
 - Ordinary equity dividends, including ordinary stock dividends are treated as revenue.
 - Special dividends, share buy backs or additional share issues may be treated as revenue or capital depending on the facts of each particular case.
 - Distributions from collective investment schemes are treated as revenue in nature, except for any element of equalisation, which represents the average amount of income included in the price paid for the collective investment scheme, which is treated as capital.
 - Other interest income, such as bank interest is treated as revenue.
 - Underwriting commission is treated as revenue, except where the fund is required to take up all or some of the shares underwritten, in which case a proportion of the commission received is deducted from the cost of the shares and treated as capital.

Financial statements and notes

- The treatment of the income on derivative contracts depends upon the nature of the transaction. Both motive and circumstances are used to determine whether the returns should be treated as capital or revenue. Where positions are undertaken to protect or enhance capital, and the circumstances support this, the returns are recognised in net capital gains; similarly where the motives and circumstances are to generate or protect revenue, and the circumstances support this, the returns are included within net revenue before taxation. Where positions generate total returns it will generally be appropriate to apportion such returns between capital and revenue to properly reflect the nature of the transaction.
- Expenses relating to the purchase and sale of investments are treated as capital; all other expenses are treated as revenue.
- Rebates of charges from holdings in collective investment schemes are treated as revenue or capital in accordance with the underlying scheme's distribution policy.

g. Operating charges

Operating charges include payments made to M&G and to providers independent of M&G:

- **Annual charge:** Charge paid to M&G covering the annual cost of M&G managing and administering the fund and the costs of third parties providing services to the fund. For every £1 billion of a fund's net asset value, a discount of 0.02% will be applied to that fund's annual charge (up to a maximum of 0.12%).

- **Extraordinary legal and tax expenses:** Costs that specifically relate to legal or tax claims that are both exceptional and unforeseeable. Such expenses are uncommon, and would not be expected in most years. Although they result in a short-term cost to the fund, generally they can deliver longer term benefits for investors.
- **Ongoing charges from underlying funds:** Ongoing charges from underlying funds (excluding Investment Trust Companies and Real Estate Investment Trusts) will be rebated.

These charges do not include portfolio transaction costs or any entry and exit charges (also known as initial and redemption charges). The charging structures of share classes may differ, and therefore the operating charges may differ.

Operating charges are in line with the ongoing charges shown in the Key Investor Information Document, other than where there have been extraordinary legal or tax expenses, or an estimate has been used for the ongoing charge because a material change has made the operating charges unreliable as an estimate of future charges.

h. Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange and method of execution. They are made up of direct and indirect portfolio transaction costs:

- **Direct portfolio transaction costs:** Broker execution commission and taxes.
- **Indirect portfolio transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid.

Financial statements and notes

Investments are bought or sold by a fund when changes are made to the investment portfolio and in response to net flows of money into or out of the fund from investors buying and selling shares in the fund.

To protect existing investors, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

i. Tax

Dividends and similar income receivable are recognised at an amount that includes any withholding tax but excludes irrecoverable tax credits. Any withholding tax suffered is shown as part of the tax charge.

Tax is accounted for at the appropriate rate of corporation tax with relief for double taxation taken where appropriate. The tax accounting treatment follows the principal amounts involved.

Deferred tax is recognised in respect of temporary timing differences that have originated but not reversed by the balance sheet date. Deferred tax is measured on a non-discounted basis, at the average rate of tax expected to apply in the period in which it expects the deferred tax to be realised or settled. A deferred tax asset is only recognised to the extent that it is more likely than not that the asset will be recovered.

Marginal tax relief has not been taken into account in respect of expenses offset against capital.

j. Allocation of returns to share classes

The annual charge is directly attributable to individual share classes. All other returns are apportioned to the fund's share classes pro-rata to the value of the net assets of the relevant share class on the day that the income or expenses are recognised.

All available net revenue accounted for in accordance with the above policies and adjusted

where relevant by any specific distribution policies set out in the notes to that fund's financial statements, is distributed to holders of Income shares or retained and reinvested for holders of Accumulation shares. Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital.

Distributions which have remained unclaimed by shareholders for more than six years are credited to the capital property of the fund.

3 Risk management policies

The ACD is responsible for establishing, implementing and maintaining an adequate and documented risk management policy for identifying, measuring and managing all risks to which funds are or might be exposed.

The Company's investment activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests; market risk, credit risk and liquidity risk.

These financial statements are designed to enable users to evaluate the nature and extent of those risks and how they are managed.

The following risk management policies are applicable to the funds, with specific risk disclosures set out in notes to the financial statements of each fund.

a. Market risk

Market risk is the risk of loss resulting from fluctuations in the market value of positions in a fund's portfolio attributable to changes in market variables, such as interest rates, exchange rates, equity and commodity prices or an issuer's creditworthiness.

In relation to market risk, processes are applied that take account of the investment objective and policy of each fund. All funds are subject to an investment oversight process in accordance with the type and nature of the fund. In addition all

Financial statements and notes

funds are monitored for compliance within regulatory limits.

In measuring and monitoring market risk, the global exposure of a fund is calculated using a 'commitment' approach.

b. Commitment approach

The commitment approach is applied for funds investing only in traditional asset classes, namely equities, fixed income, money market instruments and collective investment schemes.

In addition, the approach is applied for funds which use or intend to use derivatives or instruments embedding derivatives, but only for efficient portfolio management purposes, or in a simple way not necessarily restricted to efficient portfolio management.

Under the commitment approach the global exposure of funds is measured and monitored using a commitment (adjusted notional) methodology.

Market risk is considered on a daily basis and forms the foundation of investment oversight analysis. This can include for each fund (but is not limited to) the analysis of factors such as fund concentration; style, geographical, industry and market capitalisation biases; active, systematic and specific risk measurements; active money; and beta characteristics.

c. Liquidity risk

Liquidity risk is the risk that a fund's holdings cannot be sold, liquidated or closed out at limited cost in an adequately short time frame and that the ability of the scheme to comply at any time with its obligation to sell and redeem shares is thereby compromised.

The overall liquidity profile for each fund is reviewed and updated regularly. The liquidity profile takes into account investment, cashflow and market liquidity considerations.

Investment liquidity considerations include an assessment of asset class liquidity conditions, liquidity of underlying holdings, portfolio construction and concentration, the scale of individual stock ownership and the nature of the investment strategy.

Cashflow liquidity is managed in each fund on a daily basis using reports that include subscription and redemption information as well as the impact of trading, derivative lifecycle events and corporate action activity. In addition to the daily reporting, the fund managers are provided with reporting that highlights the impact of reasonably predictable events in the portfolio, including an allowance for the potential future exposures that might result from derivative exposures.

Market (or distribution-related) considerations include an assessment of asset demand, fund growth, client concentration and the persistency of the client base. Supplementary to this, market liquidity stress tests are carried out on a monthly basis for all funds.

Liquidity in funds is independently assessed and challenged through the internal governance process at M&G. Fund liquidity is modelled and compared against potential liability scenarios such as severe redemption or collateral calls and any funds with liquidity issues are flagged to the internal committee. Funds flagged to the internal committee are escalated and remedial action agreed. None of the funds have been escalated for remedial action.

d. Counterparty credit risk

Funds investing in derivatives are exposed to counterparty risk. This is the risk that the other party to the transaction fails to fulfil their obligations, either by failing to pay or failing to deliver securities. To minimise this risk, carefully selected, financially strong and well-established counterparties are selected following a thorough due diligence review and collateral is posted daily

Financial statements and notes

(in the form of cash or high-quality government bonds). Derivative positions are valued on a mark-to-market basis (revalued to reflect prevailing market prices) daily and collateral moves from one counterparty to the other to reflect movements in the unrealised profit or loss. As a result, the maximum loss to the fund would be limited to that day's price movements in affected derivatives contracts.

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 29 August 2025 has been used.

Investment objective

The fund aims to provide a higher total return (capital growth plus income), net of the ongoing charge figure, than that of the FTSE World Europe ex UK Index, over any five-year period.

Investment policy

At least 80% of the fund's net asset value is invested directly in equity securities and equity-related instruments of medium and large market capitalisation companies across any sector that are incorporated, listed, domiciled or do most of their business in Europe, excluding the United Kingdom.

The fund may also invest in other transferable securities, money market instruments, cash and near cash for liquidity purposes, directly and via other funds (including funds managed by M&G).

Derivatives may be used for efficient portfolio management and hedging.

Investment approach

The fund employs a bottom-up stock picking approach to identify shares of European companies, excluding the United Kingdom, that the fund manager believes are undervalued. The fund manager seeks to identify companies that are mispriced, while trying to avoid companies whose share prices are unlikely to improve over time.

The fund's approach combines value-focused screening with rigorous qualitative analysis to ensure the fund has a consistent and disciplined value bias, without compromising on the robustness of the portfolio's construction.

The main drivers of returns are expected to be the value style and overall stock selection rather than any individual sector or stock.

Benchmark

FTSE World Europe ex UK Index

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 all share classes, the relevant benchmark used for comparison purposes will be shown in the KIID.

Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 11 to 13.

The following table shows the risk number associated with the fund and is based on Sterling Class 'A' shares.



The above number:

- is based on the rate at which the value of the fund has moved up and down in the past and is based on historical data so may not be a reliable indicator of the future risk profile of the fund.
- is not guaranteed and may change over time and the lowest risk number does not mean risk free.
- has not changed during this period.

Authorised Corporate Director's Report

Investment review

For the period from 10 April 2025 (launch date of the fund) to 31 January 2026

Performance against objective

As the fund was launched less than 12 months ago, on 10 April 2025, this report does not include performance. It is too early to state whether the fund has met its objective, to provide a higher return (capital growth plus income), net of the ongoing charge figure, than that of the FTSE World Europe ex UK Index, over any five-year period.

Market review

The period under review began on an uncertain note following the announcement of tariff proposals by US President Donald Trump days earlier, which had led to concerns of a global recession. However, investors responded positively to subsequent news that there would be a temporary suspension of the tariffs and the possibility of trade deals. A trade agreement between the European Union and the US was reached in the summer, which supported investor sentiment, as did ongoing enthusiasm for technology stocks. Optimism about Germany's planned stimulus spending measures and a rotation away from elevated valuations in the US also bolstered the European stockmarket.

Fund positioning

At least 80% of the fund's Net Asset Value is invested in equity securities and equity-related instruments of medium and large market capitalisation companies, across any sector, that are incorporated, listed, domiciled or do most of their business in Europe, excluding the United Kingdom.

By sector, the fund's largest allocation was to financials, which is an overweight position, relative to the benchmark. Within financials, the fund has an above-index exposure to banks, with significant holdings including Austria's Erste Group Bank, Bank of Ireland Group, Spain's CaixaBank and Banco Bilbao Vizcaya Argentaria, also of Spain. The fund has a sizeable allocation to industrial stocks, which is a below-index position. Notable holdings in this sector include Italian cement company Buzzi, Germany's heavy

truck company Daimler Truck, Cie de Saint-Gobain, a French producer of construction and high-performance materials, and Swedish security services company Securitas.

Investment Activities

We apply a bottom-up stockpicking approach to find shares of companies that we believe are undervalued, while seeking to avoid companies whose share prices are unlikely to improve over time. During the period, we started positions in Michelin, Capgemini and Magnum Ice Cream Co.

In our view, French tyre manufacturer Michelin was inexpensive following a profit warning. However, we think the company stands to benefit this year as rising tariffs globally start to protect its business from cheap Asian imports.

Shares in French IT services company Capgemini had fallen significantly on the back of concerns over the potential impact of artificial intelligence (AI) on its business. However, in our opinion, the effect is likely to be positive. Spun off from Unilever, we feel that Netherlands-based Magnum Ice Cream Co has positive long-term growth prospects and is attractively valued due to investor concerns over its short-term trading.

We also started a new position in Denmark's Danske Bank. We think Danske is a well-run bank, with an attractive valuation. In addition, it earns the majority of its profits in Denmark, a more financially secure country than many others, in our opinion.

In terms of disposals, we sold the position in Swiss chocolate company Barry Callebaut due to a significant earnings deterioration. Instead, we invested elsewhere in the consumer market. Meanwhile, German electronics retailer Ceconomy received a takeover bid and we took advantage of the share price rise to sell the holding. We also sold electrification company Nexans on valuation grounds.

Outlook

We have been encouraged by the prospect of the large German stimulus programme, which represents a significant increase in borrowing and investment and is

Authorised Corporate Director's Report

designed to revive the German economy. In our view, given the interconnected nature of Europe's economy, the effects of German spending could ripple through to benefit the rest of the continent.

In another positive development, there are signs that European policymakers are introducing measures to protect its domestic industries from cheap imports, for example lowering import quotas and raising tariffs to protect the European steel industry.

However, the region still faces potential challenges, including US trade policies, competition from China, as well as political uncertainty in France, and the backdrop is unclear. Against an unpredictable backdrop, we are seeking to take advantage of any volatility, as and when it arises. We have also tried to create a portfolio that is as diversified and balanced as possible.

Despite recent gains, the European stockmarket still looks good value and we are continuing to find interesting investment opportunities.

Richard Halle

Fund manager

An employee of M&G FA Limited which is an associate of M&G Securities Limited.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the fund or any holding mentioned in the Report is likely to perform. If you wish to obtain financial advice as to whether an investment is suitable for your needs, you should consult a Financial Adviser.

Portfolio statement

Investments

Holding	as at 31.01.26 €'000	as at 31.01.26 %
Equities	257,180	99.89
Austria	7,608	2.96
69,670 Erste Group Bank AG	7,608	2.96
Belgium	4,594	1.78
15,287 Groupe Bruxelles Lambert NV	1,222	0.47
13,282 UCB SA	3,372	1.31
Denmark	12,385	4.81
89,982 Danske Bank AS	3,894	1.51
168,499 Novo Nordisk AS	8,491	3.30
Finland	11,247	4.37
310,844 Nokia OYJ	1,654	0.64
356,362 Nordea Bank Abp	5,887	2.29
369,970 Outokumpu OYJ	1,738	0.68
84,290 UPM-Kymmene OYJ	1,968	0.76
France	50,688	19.69
34,748 Arkema SA	1,779	0.69
16,705 BNP Paribas SA	1,518	0.59
18,619 Capgemini SE	2,447	0.95
188,207 Carrefour SA	2,592	1.01
62,346 Cie de Saint-Gobain SA	5,188	2.01
111,115 Cie Generale des Etablissements Michelin SCA	3,496	1.36
277,906 Engie SA	6,967	2.71
23,005 Fnac Darty SA	815	0.32
14,076 Gecina SA	1,089	0.42
177,762 Getlink SE	2,970	1.15
14,634 Ipsen SA	2,008	0.78
376,198 Orange SA	5,859	2.28
41,680 Sanofi SA	3,244	1.26
21,582 SEB SA	1,017	0.39
31,087 Sodexo SA	1,350	0.52
16,775 Sopra Steria Group	2,562	1.00
95,034 TotalEnergies SE	5,787	2.25

Portfolio statement

Investments (continued)

Holding	as at 31.01.26 €'000	as at 31.01.26 %
Equities (continued)		
Germany		
15,589 Allianz SE	5,801	2.25
64,369 BASF SE	2,953	1.15
57,575 Bayer AG	2,528	0.98
48,036 Bayerische Motoren Werke AG	4,180	1.62
2,196 Bilfinger SE	268	0.10
35,748 Commerzbank AG	1,258	0.49
138,302 Daimler Truck Holding AG	5,611	2.18
346,723 Deutsche Lufthansa AG	3,025	1.18
63,083 Deutsche Telekom AG	1,729	0.67
231,674 E.ON SE	4,133	1.61
19,985 Fraport AG Frankfurt Airport Services Worldwide	1,580	0.61
27,234 Henkel AG & Co. KGaA Preference Shares	2,010	0.78
31,569 Hornbach Holding AG & Co. KGaA	2,548	0.99
49,917 Infineon Technologies AG	2,091	0.81
38,193 LEG Immobilien SE	2,337	0.91
6,270 Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen	3,233	1.26
1,559 Rheinmetall AG	2,792	1.08
153,115 RWE AG	8,225	3.20
2,546 SAP SE	437	0.17
43,902 Siemens AG	11,298	4.39
15,496 Siemens Energy AG	2,228	0.87
6,627 Volkswagen AG Preference Shares	681	0.26
Ireland		
266,774 AIB Group PLC	2,502	0.97
313,985 Bank of Ireland Group PLC	5,385	2.09
103,751 Ryanair Holdings PLC	2,978	1.16
Italy		
115,384 Buzzi SpA	5,513	2.14
202,940 Eni SpA	3,499	1.36

Portfolio statement

Investments (continued)

Holding	as at 31.01.26 €'000	as at 31.01.26 %
Equities (continued)		
Luxembourg		
63,051 Aperam SA	2,262	0.88
203,993 ArcelorMittal SA	9,339	3.63
Netherlands		
59,127 Aalberts NV	1,916	0.74
119,323 Havas NV	2,108	0.82
51,450 Heineken NV	3,574	1.39
84,900 ING Groep NV	2,126	0.83
105,658 Koninklijke Ahold Delhaize NV	3,478	1.35
20,717 Koninklijke Philips NV	502	0.19
188,448 Magnum Ice Cream Co. NV	2,828	1.10
50,097 Prosus NV	2,469	0.96
131,879 Stellantis NV	1,084	0.42
59,790 STMicroelectronics NV	1,439	0.56
Norway		
165,523 Storebrand ASA	2,451	0.95
413,054 Var Energi ASA	1,259	0.49
27,985 Yara International ASA	1,085	0.42
Spain		
345,034 Banco Bilbao Vizcaya Argentaria SA	7,401	2.88
543,085 CaixaBank SA	6,031	2.34
4,817 Industria de Diseno Textil SA	265	0.10
125,176 Telefonica SA	422	0.16
Sweden		
406,384 Electrolux AB	2,781	1.08
373,485 Securitas AB	5,201	2.02
175,039 Telefonaktiebolaget LM Ericsson	1,600	0.62
Switzerland		
43,214 Julius Baer Group Ltd.	3,034	1.18
9,717 Nestle SA	782	0.30
5,185 Novartis AG	649	0.25

Portfolio statement

Investments (continued)

Holding	as at 31.01.26 €'000	as at 31.01.26 %
Equities (continued)		
Switzerland (continued)		
19,716 Roche Holding AG	7,494	2.91
157,244 UBS Group AG	6,255	2.43
Total portfolio	257,180	99.89
Net other assets/(liabilities)	282	0.11
Net assets attributable to shareholders	257,462	100.00

All securities are on an official stock exchange listing except where referenced.

Portfolio statement

Top ten portfolio transactions for the period to 31 January 2026

Largest purchases	€'000
Siemens AG	10,112
Novo Nordisk AS	8,311
ArcelorMittal SA	6,849
CaixaBank SA	6,570
Erste Group Bank AG	6,540
RWE AG	6,388
Roche Holding AG	6,138
Cie de Saint-Gobain SA	5,792
TotalEnergies SE	5,788
Allianz SE	5,578
Other purchases	178,118
Total purchases	246,184

Largest sales	€'000
CaixaBank SA	2,351
Barry Callebaut AG	2,095
Commerzbank AG	2,056
Bank of Ireland Group PLC	1,589
Bilfinger SE	1,570
Erste Group Bank AG	1,238
UCB SA	1,152
Rheinmetall AG	1,022
ArcelorMittal SA	906
RWE AG	852
Other sales	7,613
Total sales	22,444

Purchases and sales exclude the cost and proceeds of 'AAA' rated money market funds.

Financial highlights

Fund performance

Please note past performance is not a guide to future performance and the value of investments, and the income from them, will fluctuate. This will cause the fund price to fall as well as rise and you may not get back the original amount you invested.

As different share classes have different attributes, for example charging structures and minimum investments, please be aware that their performance may be different.

For additional information, including monthly fund commentaries, fund facts, historic prices, distribution rates, performance information (including a range of performance graphs) and other documents, please visit our website at mandg.com/investments

Long-term performance by share class

As the fund has not yet operated for a 12-month period, the long-term performance figures have not been calculated. Please refer to 'Specific share class performance' tables for the share class launch dates.

Specific share class performance

The following comparative tables show the performance of each share class. All 'Performance and charges' percentages represent an annual rate except for the 'Return after operating charges' which is calculated as a percentage of the opening net asset value per share (NAV per share).

'Operating charges' and 'Direct transaction costs' are calculated as a percentage of average net asset value. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current period figures.

The closing NAV per share shown may diverge from the highest and lowest share prices (used for dealing purposes) as at the balance sheet date due to accounting and valuation adjustments.

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 10 April 2025.

for the period to 31 January Change in NAV per share	2026 UK p
Opening NAV	100.00
Return before operating charges*	35.27
Operating charges	(0.92)
Return after operating charges*	34.35
Distributions	(2.99)
Closing NAV	131.36
*after direct transaction cost of	0.37
Performance	
Return after charges (%)	34.35
Other information	
Closing NAV (€'000)	139
Number of shares	91,636
Operating charges (%)	0.95
Direct transaction costs (%)	0.31
Prices	
Highest share price (UK p)	134.39
Lowest share price (UK p)	97.67

Sterling Class 'A' Accumulation shares

The share class was launched on 10 April 2025.

for the period to 31 January Change in NAV per share	2026 UK p
Opening NAV	100.00
Return before operating charges*	35.30
Operating charges	(0.94)
Return after operating charges*	34.36
Distributions	(2.09)
Retained distributions	2.09
Closing NAV	134.36
*after direct transaction cost of	0.38
Performance	
Return after charges (%)	34.36
Other information	
Closing NAV (€'000)	146
Number of shares	94,294
Operating charges (%)	0.95
Direct transaction costs (%)	0.31
Prices	
Highest share price (UK p)	134.40
Lowest share price (UK p)	97.67

Financial highlights

Sterling Class 'E' Income shares

The share class was launched on 10 April 2025.

for the period to 31 January Change in NAV per share	2026 UK p
Opening NAV	100.00
Return before operating charges*	35.35
Operating charges	(0.24)
Return after operating charges*	35.11
Distributions	(2.99)
Closing NAV	132.12
*after direct transaction cost of	0.38
Performance	
Return after charges (%)	35.11
Other information	
Closing NAV (€'000)	124,828
Number of shares	81,936,129
Operating charges (%)	0.25
Direct transaction costs (%)	0.31
Prices	
Highest share price (UK p)	135.15
Lowest share price (UK p)	97.67

Sterling Class 'E' Accumulation shares

The share class was launched on 10 April 2025.

for the period to 31 January Change in NAV per share	2026 UK p
Opening NAV	100.00
Return before operating charges*	35.37
Operating charges	(0.25)
Return after operating charges*	35.12
Distributions	(2.76)
Retained distributions	2.76
Closing NAV	135.12
*after direct transaction cost of	0.38
Performance	
Return after charges (%)	35.12
Other information	
Closing NAV (€'000)	111,596
Number of shares	71,619,798
Operating charges (%)	0.25
Direct transaction costs (%)	0.31
Prices	
Highest share price (UK p)	135.17
Lowest share price (UK p)	97.67

Financial highlights

Sterling Class 'I' Income shares

The share class was launched on 10 April 2025.

for the period to 31 January Change in NAV per share	2026 UK p
Opening NAV	100.00
Return before operating charges*	35.34
Operating charges	(0.55)
Return after operating charges*	34.79
Distributions	(2.99)
Closing NAV	131.80
*after direct transaction cost of	0.38
Performance	
Return after charges (%)	34.79
Other information	
Closing NAV (€'000)	522
Number of shares	343,778
Operating charges (%)	0.55
Direct transaction costs (%)	0.31
Prices	
Highest share price (UK p)	134.83
Lowest share price (UK p)	97.67

Sterling Class 'I' Accumulation shares

The share class was launched on 10 April 2025.

for the period to 31 January Change in NAV per share	2026 UK p
Opening NAV	100.00
Return before operating charges*	35.34
Operating charges	(0.55)
Return after operating charges*	34.79
Distributions	(2.47)
Retained distributions	2.47
Closing NAV	134.79
*after direct transaction cost of	0.38
Performance	
Return after charges (%)	34.79
Other information	
Closing NAV (€'000)	1,121
Number of shares	721,498
Operating charges (%)	0.55
Direct transaction costs (%)	0.31
Prices	
Highest share price (UK p)	134.83
Lowest share price (UK p)	97.67

Financial highlights

Sterling Class 'L' Income shares

The share class was launched on 10 April 2025.

for the period to 31 January Change in NAV per share	2026 UK p
Opening NAV	100.00
Return before operating charges*	35.35
Operating charges	(0.34)
Return after operating charges*	35.01
Distributions	(2.99)
Closing NAV	132.02
*after direct transaction cost of	0.37
Performance	
Return after charges (%)	35.01
Other information	
Closing NAV (€'000)	15
Number of shares	10,046
Operating charges (%)	0.35
Direct transaction costs (%)	0.31
Prices	
Highest share price (UK p)	135.05
Lowest share price (UK p)	97.67

Sterling Class 'L' Accumulation shares

The share class was launched on 10 April 2025.

for the period to 31 January Change in NAV per share	2026 UK p
Opening NAV	100.00
Return before operating charges*	35.36
Operating charges	(0.36)
Return after operating charges*	35.00
Distributions	(2.66)
Retained distributions	2.66
Closing NAV	135.00
*after direct transaction cost of	0.39
Performance	
Return after charges (%)	35.00
Other information	
Closing NAV (€'000)	18,822
Number of shares	12,090,197
Operating charges (%)	0.35
Direct transaction costs (%)	0.31
Prices	
Highest share price (UK p)	135.05
Lowest share price (UK p)	97.67

Financial highlights

Sterling Class 'PP' Income shares

The share class was launched on 10 April 2025.

for the period to 31 January Change in NAV per share	2026 UK p
Opening NAV	100.00
Return before operating charges*	35.33
Operating charges	(0.44)
Return after operating charges*	34.89
Distributions	(2.99)
Closing NAV	131.90
*after direct transaction cost of	0.37
Performance	
Return after charges (%)	34.89
Other information	
Closing NAV (€'000)	15
Number of shares	10,035
Operating charges (%)	0.45
Direct transaction costs (%)	0.31
Prices	
Highest share price (UK p)	134.94
Lowest share price (UK p)	97.67

Sterling Class 'PP' Accumulation shares

The share class was launched on 10 April 2025.

for the period to 31 January Change in NAV per share	2026 UK p
Opening NAV	100.00
Return before operating charges*	35.34
Operating charges	(0.44)
Return after operating charges*	34.90
Distributions	(2.56)
Retained distributions	2.56
Closing NAV	134.90
*after direct transaction cost of	0.37
Performance	
Return after charges (%)	34.90
Other information	
Closing NAV (€'000)	16
Number of shares	10,030
Operating charges (%)	0.45
Direct transaction costs (%)	0.31
Prices	
Highest share price (UK p)	134.94
Lowest share price (UK p)	97.67

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 10 April 2025.

for the period to 31 January Change in NAV per share	2026 UK p
Opening NAV	100.00
Return before operating charges*	35.31
Operating charges	(0.79)
Return after operating charges*	34.52
Distributions	(2.99)
Closing NAV	131.53
*after direct transaction cost of	0.38
Performance	
Return after charges (%)	34.52
Other information	
Closing NAV (€'000)	57
Number of shares	37,346
Operating charges (%)	0.80
Direct transaction costs (%)	0.31
Prices	
Highest share price (UK p)	134.56
Lowest share price (UK p)	97.67

Sterling Class 'R' Accumulation shares

The share class was launched on 10 April 2025.

for the period to 31 January Change in NAV per share	2026 UK p
Opening NAV	100.00
Return before operating charges*	35.32
Operating charges	(0.79)
Return after operating charges*	34.53
Distributions	(2.23)
Retained distributions	2.23
Closing NAV	134.53
*after direct transaction cost of	0.38
Performance	
Return after charges (%)	34.53
Other information	
Closing NAV (€'000)	185
Number of shares	119,191
Operating charges (%)	0.80
Direct transaction costs (%)	0.31
Prices	
Highest share price (UK p)	134.58
Lowest share price (UK p)	97.67

Financial statements and notes

Financial statements

Statement of total return

for the period to 31 January	Note	2026	
		€'000	€'000
Income			
Net capital gains/(losses)	3		33,362
Revenue	5	1,553	
Expenses	6	(272)	
Interest payable and similar charges		(13)	
Net revenue/(expense) before taxation		1,268	
Taxation	7	(163)	
Net revenue/(expense) after taxation			1,105
Total return before distributions			34,467
Distributions	8		(1,273)
Change in net assets attributable to shareholders from investment activities			33,194

Statement of change in net assets attributable to shareholders

for the period to 31 January	2026	
	€'000	€'000
Opening net assets attributable to shareholders		0
Amounts received on issue of shares	235,257	
Amounts paid on cancellation of shares	(13,992)	
		221,265
Dilution adjustments		330
Change in net assets attributable to shareholders from investment activities (see above)		33,194
Retained distributions on Accumulation shares		2,673
Closing net assets attributable to shareholders		257,462

Financial statements and notes

Financial statements

Balance sheet

as at 31 January	Note	2026 €'000
Assets		
Fixed assets		
Investments		257,180
Current assets		
Debtors	9	13,240
Cash and bank balances	10	1,220
Total assets		271,640
Liabilities		
Creditors		
Distribution payable		(2,846)
Other creditors	11	(11,332)
Total liabilities		(14,178)
Net assets attributable to shareholders		257,462

Financial statements and notes

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 8 to 11.

2 Distribution policy

In determining the amount available for distribution to Income shares, the annual charge is offset against capital, increasing the amount available for distribution whilst restraining capital performance to an equivalent extent.

3 Net capital gains/(losses)

for the period to 31 January	2026 €'000
Non-derivative securities	33,442
Currency gains/(losses)	(81)
Rebate of ongoing charges from underlying funds taken to capital	1
Net capital gains/(losses)	33,362

Financial statements and notes

4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 10 and 11. Total direct portfolio transaction costs are stated before dilution adjustments.

for the period to 31 January	2026 €'000	% of transaction
a) Purchases		
Equities		
Equities before transaction costs	245,785	
Commissions	60	0.02
Taxes and other fees	339	0.14
Total purchases after transaction costs	246,184	
b) Sales		
Equities		
Equities before transaction costs	22,453	
Commissions	(9)	0.04
Total sales after transaction costs	22,444	
	2026 €'000	% of average NAV
c) Direct portfolio transaction costs		
Commissions paid		
Equities	69	0.05
Taxes and other fees paid		
Equities	339	0.26
Total direct portfolio transaction costs	408	0.31
d) Indirect portfolio transaction costs		
Average portfolio dealing spread as at the balance sheet date		0.06

5 Revenue

for the period to 31 January	2026 €'000
Bank interest	1
Distributions from collective investment schemes: taxable	17
Dividends from equity investments: non-taxable	1,535
Total revenue	1,553

Financial statements and notes

6 Expenses

for the period to 31 January	2026 €'000
Payable to the ACD or associate	
Annual charge	272
Total expenses	272

Audit fees for the financial period ending 2026 were £12,000.

7 Taxation

for the period to 31 January	2026 €'000
a) Analysis of charge in the period	
Corporation tax	0
Withholding tax	163
Deferred tax (note 7c)	0
Total taxation	163
b) Factors affecting taxation charge for the period	
Net revenue/(expense) before taxation	1,268
Corporation tax at 20%	254
Effects of:	
Revenue: non-taxable	(307)
Current period expenses not utilised	53
Withholding tax	163
Total tax charge (note 7a)	163
c) Provision for deferred taxation	
Provision at the start of the period	0
Deferred tax in profit and loss account (note 7a)	0
Provision at the end of the period	0

The fund has not recognised a deferred tax asset of €53,000 arising as a result of having excess management expenses. We do not expect this asset to be utilised in the foreseeable future.

Financial statements and notes

8 Distributions

For each distribution period, the distributions payable on Income shares (Inc) and distributions retained on Accumulation shares (Acc) are disclosed.

for the period to 31 January	2026	
Dividend distributions	Inc €'000	Acc €'000
Final	2,846	2,673
Total net distributions		5,519
Income deducted on cancellation of shares		296
Income received on issue of shares		(4,542)
Distributions		1,273
Net revenue/(expense) per statement of total return		1,105
Expenses offset against capital		168
Distributions		1,273

9 Debtors

as at 31 January	2026 €'000
Amounts receivable on issues of shares	6,957
Currency deals outstanding	6,141
Dividends receivable	19
Withholding tax recoverable	123
Total debtors	13,240

10 Cash and bank balances

as at 31 January	2026 €'000
Cash held as bank balances	1,220
Total cash and bank balances	1,220

11 Other creditors

as at 31 January	2026 €'000
Amounts payable on cancellation of shares	410
Annual charge payable	20
Currency deals outstanding	6,135
Purchases awaiting settlement	4,767
Total other creditors	11,332

Financial statements and notes

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date.

13 Shares in issue

The following table shows each class of share in issue during the period. Each share class has the same rights on winding up however they may have different charging structures as set out in note 14.

Share class	Opening 10.04.25	Issued	Movements Cancelled	Converted	Closing 31.01.26
Sterling					
Class 'A' Income	0	91,636	0	0	91,636
Class 'A' Accumulation	0	95,489	(1,195)	0	94,294
Class 'E' Income	0	87,590,123	(5,653,994)	0	81,936,129
Class 'E' Accumulation	0	75,505,846	(3,886,048)	0	71,619,798
Class 'I' Income	0	401,029	(57,251)	0	343,778
Class 'I' Accumulation	0	954,898	(233,400)	0	721,498
Class 'L' Income	0	10,050	(4)	0	10,046
Class 'L' Accumulation	0	12,427,372	(337,175)	0	12,090,197
Class 'PP' Income	0	10,035	0	0	10,035
Class 'PP' Accumulation	0	10,030	0	0	10,030
Class 'R' Income	0	37,347	(1)	0	37,346
Class 'R' Accumulation	0	197,978	(78,787)	0	119,191

It is not possible to separately identify all share class conversions. As a result, the share class movements (issued/cancelled) as disclosed in the table above may also include share class conversions.

14 Charging structure

The table below sets out the charging structure for each class of share. The charging structure is the same for both Income and Accumulation shares of each class. The amounts shown are the maximum annual charge. M&G will apply a discount of 0.02% for every £1 billion of a fund's net asset value. This is assessed quarterly and implemented on a forward basis no later than 13 business days after quarter end.

Share class	Annual charge %
Sterling	
Class 'A'	0.95
Class 'E'	0.25
Class 'I'	0.55
Class 'L'	0.35
Class 'PP'	0.45
Class 'R'	0.80

Financial statements and notes

15 Related parties

M&G Securities Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal on all the transactions of shares in the fund except with in specie transactions, where M&G Securities Limited acts as an agent. The aggregate monies received through issues, and paid on cancellations, are disclosed in the 'Statement of change in net assets attributable to shareholders' and note 8. Amounts due to/from M&G Securities Limited in respect of share transactions at the period end are disclosed in notes 9 and 11 where applicable.

Amounts paid to M&G Securities Limited in respect of the annual charge are disclosed in note 6. Amounts due at the period end in respect of the annual charge are disclosed in note 11.

Amounts paid to M&G Securities Limited in respect of rebate arrangements for the annual charge are disclosed in notes 3 and 5. Amounts due at the period end from the ACD, and/or associate, in respect of these rebates are disclosed in note 9.

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 0.08% of the fund's shares.

16 Fair value analysis

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument

This includes instruments such as publicly traded equities, highly liquid bonds (eg Government bonds) and exchange traded derivatives (eg futures) for which quoted prices are readily and regularly available.

Level 2: Valuation technique using observable market data

This includes instruments such as over-the-counter (OTC) derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds which have been valued using models with observable market data inputs.

Level 3: Valuation technique using unobservable inputs

This refers to instruments which have been valued using models with unobservable data inputs. This includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

as at 31 January	Assets 2026	Liabilities 2026
Basis of valuation	€'000	€'000
Level 1	254,489	0
Level 2	2,691	0
Level 3	0	0
	257,180	0

17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 11 to 13.

18 Market risk sensitivity

A five per cent increase in the value of the fund's investment portfolio would have the effect of increasing the return and net assets by €12,859,000. A five per cent decrease would have an equal and opposite effect.

Financial statements and notes

19 Currency risk sensitivity and exposure

A five per cent increase in the value of the fund's currency exposure would have the effect of increasing the return and net assets by €2,400,000. A five per cent decrease would have an equal and opposite effect.

as at 31 January	2026 €'000
Currency exposure	
Danish krone	12,124
Euro	209,457
Norwegian krone	4,800
Sterling	3,713
Swedish krona	9,582
Swiss franc	17,786
Total	257,462

20 Interest rate risk sensitivity and exposure

As the majority of the fund's financial assets are non-interest bearing, the risk is not considered significant and is therefore not disclosed.

21 Credit risk

Credit risk with regard to derivative balances is not considered significant and is therefore not disclosed.

22 Dividend distribution tables

This fund pays annual ordinary distributions and the following table sets out the distribution period.

Annual distribution period

	Start	End	Xd	Payment
Final	10.04.25	31.01.26	02.02.26	31.03.26

The following tables set out for each distribution the rates per share for both Group 1 and Group 2 shares.

Group 1 shares are those purchased prior to a distribution period and therefore their income rate is the same as the distribution rate.

Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of income and equalisation. Equalisation is the average amount of income included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to Income Tax. Instead, it must be deducted from the cost of shares for Capital Gains Tax purposes. The tables below show the split of the Group 2 rates into the income and equalisation components.

Financial statements and notes

Sterling Class 'A' Income shares

Ordinary distributions for the period to 31 January	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p
Final	2.0470	0.9428	2.9898

Sterling Class 'A' Accumulation shares

Ordinary distributions for the period to 31 January	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p
Final	0.4085	1.6789	2.0874

Sterling Class 'E' Income shares

Ordinary distributions for the period to 31 January	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p
Final	0.8246	2.1695	2.9941

Sterling Class 'E' Accumulation shares

Ordinary distributions for the period to 31 January	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p
Final	0.4931	2.2629	2.7560

Sterling Class 'I' Income shares

Ordinary distributions for the period to 31 January	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p
Final	0.5838	2.4082	2.9920

Sterling Class 'I' Accumulation shares

Ordinary distributions for the period to 31 January	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p
Final	0.1959	2.2731	2.4690

Financial statements and notes

Sterling Class 'L' Income shares

Ordinary distributions for the period to 31 January	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p
Final	2.9918	0.0012	2.9930

Sterling Class 'L' Accumulation shares

Ordinary distributions for the period to 31 January	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p
Final	0.2604	2.3995	2.6599

Sterling Class 'PP' Income shares

Ordinary distributions for the period to 31 January	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p
Final	2.9919	0.0000	2.9919

Sterling Class 'PP' Accumulation shares

Ordinary distributions for the period to 31 January	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p
Final	2.5635	0.0000	2.5635

Sterling Class 'R' Income shares

Ordinary distributions for the period to 31 January	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p
Final	1.0559	1.9350	2.9909

Sterling Class 'R' Accumulation shares

Ordinary distributions for the period to 31 January	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p
Final	0.2958	1.9346	2.2304

Financial statements and notes

23 Events after the balance sheet date

There were no events after the balance sheet date to disclose.

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 29 August 2025 has been used.

Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the MSCI ACWI Index over any five-year period.

Investment policy

At least 80% of the fund is invested directly in equity securities and equity related securities of companies across any sector and market capitalisations that are domiciled in any country, including emerging markets.

The fund may also invest in other transferable securities, cash and near cash directly and via collective investment schemes (including funds managed by M&G).

Derivatives may be used for investment purposes, efficient portfolio management and hedging.

Investment approach

The fund employs a disciplined approach to investment which concentrates on the analysis and selection of individual companies.

The investment approach focuses on identifying shares in cheap or out-of-favour companies that the fund manager believes are undervalued, while trying to avoid companies with problems that could prevent their share prices from improving over time.

The fund's approach combines a strict valuation screen and rigorous qualitative analysis. This ensures the fund concentrates on cheap stocks without compromising on characteristics such as financial strength or competitive advantages.

The main drivers of returns are expected to be the value style and overall stock selection rather than any individual sector or stock.

Benchmark

MSCI ACWI Index

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.

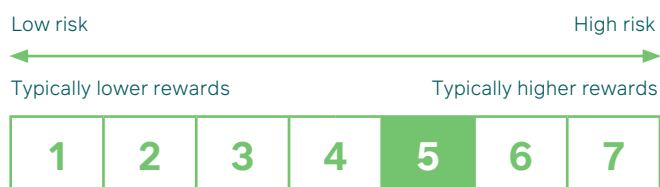
The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents.

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.

Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 11 to 13.

The following table shows the risk number associated with the fund and is based on Sterling Class 'A' shares.



The above number:

- is based on the rate at which the value of the fund has moved up and down in the past and is based on historical data so may not be a reliable indicator of the future risk profile of the fund.
- is not guaranteed and may change over time and the lowest risk number does not mean risk free.
- has changed during this period. From 1 February 2025 to 13 February 2025 the risk number was 6.

Authorised Corporate Director's Report

Investment review

For the year ended 31 January 2026

Performance against objective

Between 1 February 2025 (the start of the review period) and 31 January 2026, all share classes of the M&G Global Strategic Value Fund produced a strong positive total return (the combination of income and growth of capital). The fund's returns were ahead of its benchmark, the MSCI ACWI Index, which gained 10.8% over the same period.

Over the longer term of five years, the fund has delivered positive returns and was ahead of its benchmark, which returned 12.5% pa. Therefore, the fund has achieved its objective to provide a higher total return, net of the ongoing charge figure, than that of the MSCI ACWI Index over any five-year period.

For the performance of each share class, please refer to the 'Long-term performance by share class' table in the 'Fund performance' section of this report.

Performance review

Global equities posted strong returns in 2025. US markets posted a positive return as well, but underperformed emerging markets (EM) as they benefited from improving macro-economic stability, growth expectations in several regions and a weakening US dollar. Artificial Intelligence (AI) remained the dominant theme driving US equities.

The review period started with heightened volatility for global equities driven by trade tariff uncertainty and eurozone concerns. US technology stocks fell sharply as sentiment weakened following disruptions from China's DeepSeek AI start-up, leading the 'Magnificent 7' technology companies to record their worst performance in a month. Investor unease over President Trump's economic agenda and frequent tariff announcements added further pressure on the technology stocks, however market sentiment improved towards the end of 2025 due to a widely anticipated interest rate cut by the Federal Reserve (Fed). Beyond the US, equity markets elsewhere proved more resilient. Germany's renewed fiscal stimulus, focused on

infrastructure and defence spending, acted as a catalyst for growth both domestically and across the wider European economy, providing a boost to European equity markets. Asian equities also performed well, with South Korea among the strongest performers in 2025, supported by robust AI-driven trade, reflecting Korea's high weighting towards technology stocks, alongside continued progress on corporate governance reform. Semiconductors were a standout over the period and played a central role in driving the broader AI theme. However, at the start of 2026 the market began to bifurcate: companies exposed to hardware proved more resilient, while the software universe came under pressure, underlining the importance of selectivity.

In this environment, the fund's value investment style delivered returns in line with the growth investment style for global equities in 2025. Growth stocks provide shareholders with the potential for above-average earnings growth over the long term; by contrast, value investors focus on picking out-of-favour stocks that are trading below their true worth. 2025 was a year of regional divergence as developed markets outside the US and Canada saw a strong revival in value style, outperforming the growth stocks in these markets. Whereas, growth stocks maintained their dominance in the US, continuing the trend driven by technology and high-growth sectors and outperformed the value style in 2025.

The fund outperformed its benchmark over the review period with our security selection being the main contributor to relative performance. Technology was the largest relative contributor, mainly due to our stock selection. At an individual stock level, Seagate, Samsung and Intel were among our top individual contributors within the technology sector. These stocks performed well for us due to increasing demand for their products driven by the AI-infrastructure and cloud-computing boom. Consumer discretionary and utilities also contributed positively due to both our stock selection and sector allocation, as did our stock selection in financials.

Authorised Corporate Director's Report

In contrast, our stock selection in materials was a modest detractor from relative performance. At an individual stock level, the fund's lack of exposure to NVIDIA was the single largest detractor to relative performance. NVIDIA continued to benefit from the sustained AI focus, strong earnings posted during the year and strong demand outlook for its chips. Other notable detractors included robotics company FBR who delivered a disappointing operational update early in the year which missed investors expectations and digital payments platform PayPal which faced intense competition pressure from other digital payment solutions, lower-than-expected earnings and a weak outlook.

Investment Activities

During the period under review, we started 20 new positions and fully exited 15 positions.

We started new positions in Chinese search engine Baidu (incorporated in the Cayman Islands), beauty products manufacturer Coty, oil services company Halliburton, US healthcare company Bruker, defence technology company QinetiQ Group, passenger railway company East Japan Railway, steel manufacturer ArcelorMittal, automobile manufacturer Toyota Motor, meat and food processing company WH Group, healthcare company Organon and industrial automation company Yaskawa Electric, Japanese advertising agency Dentsu, insurance and reinsurance provider Everest Group, packaging products maker Amcor, technology services business Capgemini, Magnum Ice Cream Co, Indonesia's Bank Mandiri Persero Tbk, Versant Media Group (a spin-off from an existing holding, Comcast), software company Salesforce and specialty materials manufacturer Arkema.

We fully exited technology conglomerate Meta Platforms, soft drinks maker Coca Cola, Reinsurance Group of America, pharma company AstraZeneca, building products manufacturer Fletcher Building, chemicals company Johnson Matthey, mining company Perpetua Resources, multinational conglomerate Hitachi, defence systems manufacturer Rheinmetall, Brazilian retailer Atacadao, UK bank NatWest Group, data storage company Western Digital, fashion

business Tapestry and renewable energy company Drax Group. We also fully exited SanDisk, which was inherited as a spin-off in February 2025.

The fund has 29% of its holdings in US equities, alongside a 13% allocation to Japan and 9% to the UK. In terms of sector allocation, the fund holds about 17% in financials, 15% in technology and 11% in healthcare. We maintain a significantly lower exposure to the US than the benchmark and also have a lower exposure to the technology sector than our benchmark.

Outlook

Looking ahead, we continue to see a compelling opportunity for global value investors, particularly given our below benchmark position in the US and above benchmark position to the rest of the world.

The ongoing diversification away from the US is driving broadening of global equities, with flows increasingly moving to other developed international markets and many of those markets outperforming the US. We believe this trend still has room to run, supported by the prospect of continued US dollar weakness and persistent demand for geographic diversification. Importantly, many non-US markets, across the UK, Europe, Japan and broader developed ex-US regions, still exhibit value that remains under-recognised, in our view. This creates an attractive backdrop for disciplined stock picking. As a global equity portfolio, we are able to allocate in different regions, therefore we are best positioned to take advantage of the value opportunities in the world.

We also believe that value is not entirely absent in the US. Several of our US technology holdings generated strong performance last year, reflecting our focus on high-quality businesses purchased at more attractive valuations. Since the outsized returns in the US have been highly concentrated within a select few stocks, there are still interesting opportunities for disciplined, bottom-up stock picking. We continue to find such selective opportunities that support this approach in the US market.

Overall, we believe the combination of improving global breadth, supportive flows, and meaningful differences

Authorised Corporate Director's Report

in valuations across markets makes the current environment favourable for an active global value strategy. We remain optimistic about the long-term outlook for value investing.

Richard Halle, Shane Kelly and Daniel White

Co-fund managers

Employees of M&G FA Limited which is an associate of M&G Securities Limited.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the fund or any holding mentioned in the Report is likely to perform. If you wish to obtain financial advice as to whether an investment is suitable for your needs, you should consult a Financial Adviser.

Portfolio statement

Investments

Holding	as at 31.01.26 \$'000	as at 31.01.26 %	as at 31.01.25 %
Equities	690,785	94.31	97.63
Australia	450	0.06	0.98
213,590,624 FBR Ltd.	450	0.06	
44,355,349 Mineral Commodities Ltd. ^a	0	0.00	
Belgium	9,682	1.32	0.88
31,913 UCB SA	9,682	1.32	
Bermuda	12,421	1.69	0.92
1,250,000 African Minerals Ltd. ^a	0	0.00	
17,270 Everest Group Ltd.	5,678	0.77	
6,590,000 Kunlun Energy Co. Ltd.	6,743	0.92	
Brazil	0	0.00	0.43
Cayman Islands	30,746	4.20	2.89
53,880 Alibaba Group Holding Ltd. ADR	9,366	1.28	
120,318 Autohome, Inc. ADR	2,754	0.38	
430,450 Baidu, Inc.	8,454	1.15	
975,320 HUTCHMED China Ltd. ^b	2,930	0.40	
6,158,000 WH Group Ltd.	7,242	0.99	
Finland	5,615	0.77	1.10
201,238 UPM-Kymmene OYJ	5,615	0.77	
France	35,129	4.80	3.77
66,994 Arkema SA	4,099	0.56	
38,422 Capgemini SE	6,035	0.82	
464,030 Carrefour SA	7,636	1.04	
36,433 Ipsen SA	5,973	0.82	
156,489 TotalEnergies SE	11,386	1.56	
Germany	31,626	4.32	4.76
9,846 Bilfinger SE	1,435	0.19	
135,420 Daimler Truck Holding AG	6,565	0.90	
72,632 Hornbach Holding AG & Co. KGaA	7,004	0.96	
258,936 RWE AG	16,622	2.27	
Hong Kong	13,313	1.82	1.76
777,400 AIA Group Ltd.	9,031	1.23	
932,200 Link REIT	4,282	0.59	

Portfolio statement

Investments (continued)

Holding	as at 31.01.26 \$'000	as at 31.01.26 %	as at 31.01.25 %
Equities (continued)			
Indonesia			
25,450,900 Bank Mandiri Persero Tbk. PT	7,293	1.00	
43,100,200 Telkom Indonesia Persero Tbk. PT	9,244	1.26	
Ireland			
671,233 AIB Group PLC	7,524	1.03	
944,004 Kenmare Resources PLC	3,226	0.44	
85,305 Medtronic PLC	8,602	1.17	
30,971 Seagate Technology Holdings PLC	14,148	1.93	
Israel			
52,557 Check Point Software Technologies Ltd.	9,332	1.27	
Japan			
166,600 Dentsu Group, Inc.	3,242	0.44	
270,400 East Japan Railway Co.	6,827	0.93	
9,786,500 NTT, Inc.	9,865	1.35	
286,500 ORIX Corp.	8,795	1.20	
472,700 Rohm Co. Ltd.	8,336	1.14	
431,400 Seven & i Holdings Co. Ltd.	6,209	0.85	
249,700 Taiyo Yuden Co. Ltd.	5,292	0.72	
291,100 Takeda Pharmaceutical Co. Ltd.	9,932	1.36	
896,000 Toray Industries, Inc.	6,657	0.91	
65,500 Toyota Industries Corp.	8,428	1.15	
393,500 Toyota Motor Corp.	9,033	1.23	
139,700 Ulvac, Inc.	7,569	1.03	
219,400 Yaskawa Electric Corp.	7,074	0.97	
Jersey			
268,498 Amcor PLC	11,733	1.60	
Luxembourg			
123,962 Aperam SA	5,315	0.73	
160,390 ArcelorMittal SA	8,774	1.20	
204,744 Tenaris SA	4,567	0.62	
Mexico			
4,875,630 Fibra Uno Administracion SA de CV	8,140	1.11	1.02

Portfolio statement

Investments (continued)

Holding	as at 31.01.26 \$'000	as at 31.01.26 %	as at 31.01.25 %
Equities (continued)			
Netherlands			
371,939 Magnum Ice Cream Co. NV	6,671	0.91	
219,208 Stellantis NV	2,154	0.29	
New Zealand			
0			
South Korea			
31,019			
67,189 Kia Corp.	7,157	0.97	
143,828 Samsung Electronics Co. Ltd.	16,103	2.20	
22,327 Samsung Fire & Marine Insurance Co. Ltd.	7,759	1.06	
Spain			
16,232			
361,099 Banco Bilbao Vizcaya Argentaria SA	9,256	1.27	
525,709 CaixaBank SA	6,976	0.95	
Sweden			
12,497			
476,124 Securitas AB	7,922	1.08	
418,702 Telefonaktiebolaget LM Ericsson	4,575	0.63	
Switzerland			
8,422			
177,182 UBS Group AG	8,422	1.15	
United Kingdom			
65,335			
673,088 BP PLC	4,259	0.58	
3,094,970 Centrica PLC	8,143	1.11	
3,080,720 Currys PLC	6,300	0.86	
328,925 GSK PLC	8,389	1.15	
257,477 Imperial Brands PLC	10,764	1.47	
755,052 QinetiQ Group PLC	5,239	0.71	
318,371 Smith & Nephew PLC	5,471	0.75	
221,515 Standard Chartered PLC	5,657	0.77	
1,904,861 Tesco PLC	11,113	1.52	
United States			
214,316			
53,188 3M Co.	8,285	1.13	
28,669 Alphabet, Inc.	9,584	1.31	
202,697 Bristol-Myers Squibb Co.	10,974	1.50	
173,576 Bruker Corp.	7,636	1.04	
133,859 Cisco Systems, Inc.	10,436	1.42	

Portfolio statement

Investments (continued)

Holding	as at 31.01.26 \$'000	as at 31.01.26 %	as at 31.01.25 %
Equities (continued)			
United States (continued)			
89,278 Citigroup, Inc.	10,196	1.39	
223,397 Comcast Corp.	6,514	0.89	
518,916 Coty, Inc.	1,602	0.22	
25,298 Elevance Health, Inc.	8,766	1.20	
194,215 Exelon Corp.	8,619	1.18	
155,340 Halliburton Co.	5,125	0.70	
63,745 Hartford Insurance Group, Inc.	8,419	1.15	
239,286 Highwoods Properties, Inc.	6,180	0.84	
135,883 Intel Corp.	6,552	0.89	
28,972 JPMorgan Chase & Co.	8,775	1.20	
129,877 Kroger Co.	8,044	1.10	
13,733 Microsoft Corp.	6,007	0.82	
132,920 Molson Coors Beverage Co.	6,303	0.86	
11,715 Oracle Corp.	1,942	0.27	
410,061 Organon & Co.	3,457	0.47	
55,988 Oshkosh Corp.	8,095	1.11	
112,757 PayPal Holdings, Inc.	5,954	0.81	
59,682 QUALCOMM, Inc.	8,988	1.23	
22,448 Salesforce, Inc.	4,774	0.65	
181,238 Southwest Airlines Co.	8,743	1.19	
216,526 Verizon Communications, Inc.	8,813	1.20	
7,450 Versant Media Group, Inc.	245	0.03	
416,379 VF Corp.	8,240	1.13	
129,973 Wells Fargo & Co.	11,698	1.60	
210,319 Weyerhaeuser Co.	5,350	0.73	

Portfolio statement

Investments (continued)

Holding	as at 31.01.26 \$'000	as at 31.01.26 %	as at 31.01.25 %
Derivatives	11	0.00	0.00
Forwards	11	0.00	0.00
Sold GBP15,000,000 for USD20,679,957 Settlement 27/02/2026	11	0.00	
Total portfolio	690,796	94.31	97.63
Net other assets/(liabilities)	41,673	5.69	2.37
Net assets attributable to shareholders	732,469	100.00	100.00

All securities are on an official stock exchange listing except where referenced.

The comparative sector weightings have been re-analysed to reflect changes to the sector classifications.

^a Suspended.

^b AIM quoted.

Portfolio statement

Top ten portfolio transactions for the year to 31 January 2026

Largest purchases	\$'000
Ancor PLC	10,589
Toyota Motor Corp.	7,626
Bruker Corp.	7,300
Bank Mandiri Persero Tbk. PT	6,850
Alphabet, Inc.	5,954
Cargemini SE	5,946
Everest Group Ltd.	5,872
Magnum Ice Cream Co. NV	5,718
WH Group Ltd.	5,569
East Japan Railway Co.	5,539
Other purchases	111,311
Total purchases	178,274

Largest sales	\$'000
Alphabet, Inc.	9,987
Oracle Corp.	9,925
Seagate Technology Holdings PLC	9,721
Rheinmetall AG	7,993
Tapestry, Inc.	7,910
Coca-Cola Europacific Partners PLC	7,886
Bilfinger SE	6,433
AstraZeneca PLC	5,304
Western Digital Corp.	5,259
NatWest Group PLC	5,135
Other sales	66,423
Total sales	141,976

Purchases and sales exclude the cost and proceeds of 'AAA' rated money market funds.

Financial highlights

Fund performance

Please note past performance is not a guide to future performance and the value of investments, and the income from them, will fluctuate. This will cause the fund price to fall as well as rise and you may not get back the original amount you invested.

As different share classes have different attributes, for example charging structures and minimum investments, please be aware that their performance may be different.

For additional information, including monthly fund commentaries, fund facts, historic prices, distribution rates, performance information (including a range of performance graphs) and other documents, please visit our website at mandg.com/investments

Long-term performance by share class

To give an indication of the performance of the fund, the following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested and shown as net of operating charge. Please refer to 'Specific share class performance' tables for the share class launch dates.

Share class	One year % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+20.9	+16.7	+14.7	+11.8
Class 'A' Accumulation	+20.9	+16.7	+14.7	+11.8
Class 'I' Income	+21.4	+17.2	+15.1	+12.5
Class 'I' Accumulation	+21.4	+17.2	+15.1	+12.4
Class 'R' Income	+21.1	+16.9	+14.9	+12.2
Class 'R' Accumulation	+21.1	+16.9	+14.8	+12.2
Benchmark	+10.8	+15.4	+12.5	+13.7

^a Not annualised.

Specific share class performance

The following comparative tables show the performance of each share class. All 'Performance and charges' percentages represent an annual rate except for the 'Return after operating charges' which is calculated as a percentage of the opening net asset value per share (NAV per share).

'Operating charges' and 'Direct transaction costs' are calculated as a percentage of average net asset value. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current year figures.

The closing NAV per share shown may diverge from the highest and lowest share prices (used for dealing purposes) as at the balance sheet date due to accounting and valuation adjustments.

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 17 February 2012.

for the year to 31 January Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	240.46	204.81	194.21
Return before operating charges*	52.78	45.57	18.85
Operating charges	(3.26)	(2.89)	(2.56)
Return after operating charges*	49.52	42.68	16.29
Distributions	(7.39)	(7.03)	(5.69)
Closing NAV	282.59	240.46	204.81
*after direct transaction cost of	0.08	0.09	0.04
Performance			
Return after charges (%)	20.59	20.84	8.39
Other information			
Closing NAV (\$'000)	472,496	377,160	339,189
Number of shares	121,341,885	126,386,853	130,547,004
Operating charges (%)	1.30	1.30	1.30
Direct transaction costs (%)	0.03	0.04	0.02
Prices			
Highest share price (UK p)	289.20	243.51	207.84
Lowest share price (UK p)	209.70	204.58	186.28

Sterling Class 'A' Accumulation shares

The share class was launched on 17 February 2012.

for the year to 31 January Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	294.58	243.41	224.42
Return before operating charges*	65.72	54.65	21.98
Operating charges	(4.04)	(3.48)	(2.99)
Return after operating charges*	61.68	51.17	18.99
Distributions	(5.16)	(4.90)	(3.70)
Retained distributions	5.16	4.90	3.70
Closing NAV	356.26	294.58	243.41
*after direct transaction cost of	0.10	0.11	0.05
Performance			
Return after charges (%)	20.94	21.02	8.46
Other information			
Closing NAV (\$'000)	6,248	4,423	3,243
Number of shares	1,272,802	1,209,819	1,050,280
Operating charges (%)	1.30	1.30	1.30
Direct transaction costs (%)	0.03	0.04	0.02
Prices			
Highest share price (UK p)	360.71	294.76	244.07
Lowest share price (UK p)	256.97	243.14	215.51

Financial highlights

Sterling Class 'I' Income shares

The share class was launched on 17 February 2012.

for the year to 31 January	2026	2025	2024
Change in NAV per share	UK p	UK p	UK p
Opening NAV	252.66	214.34	202.43
Return before operating charges*	55.68	47.79	19.70
Operating charges	(2.42)	(2.10)	(1.86)
Return after operating charges*	53.26	45.69	17.84
Distributions	(7.78)	(7.37)	(5.93)
Closing NAV	298.14	252.66	214.34
*after direct transaction cost of	0.09	0.10	0.05
Performance			
Return after charges (%)	21.08	21.32	8.81
Other information			
Closing NAV (\$'000)	23,700	6,653	5,578
Number of shares	5,769,051	2,121,843	2,051,472
Operating charges (%)	0.90	0.90	0.90
Direct transaction costs (%)	0.03	0.04	0.02
Prices			
Highest share price (UK p)	305.09	255.87	217.50
Lowest share price (UK p)	220.51	214.11	194.28

Sterling Class 'I' Accumulation shares

The share class was launched on 17 February 2012.

for the year to 31 January	2026	2025	2024
Change in NAV per share	UK p	UK p	UK p
Opening NAV	318.50	262.12	240.72
Return before operating charges*	71.29	58.97	23.63
Operating charges	(3.07)	(2.59)	(2.23)
Return after operating charges*	68.22	56.38	21.40
Distributions	(6.91)	(6.45)	(4.94)
Retained distributions	6.91	6.45	4.94
Closing NAV	386.72	318.50	262.12
*after direct transaction cost of	0.11	0.12	0.06
Performance			
Return after charges (%)	21.42	21.51	8.89
Other information			
Closing NAV (\$'000)	193,054	80,893	66,545
Number of shares	36,228,322	20,465,305	20,012,148
Operating charges (%)	0.90	0.90	0.90
Direct transaction costs (%)	0.03	0.04	0.02
Prices			
Highest share price (UK p)	391.51	318.68	262.83
Lowest share price (UK p)	278.04	261.83	231.28

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 January Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	267.08	227.14	215.05
Return before operating charges*	58.68	50.58	20.90
Operating charges	(3.20)	(2.84)	(2.51)
Return after operating charges*	55.48	47.74	18.39
Distributions	(8.21)	(7.80)	(6.30)
Closing NAV	314.35	267.08	227.14
*after direct transaction cost of	0.09	0.10	0.05
Performance			
Return after charges (%)	20.77	21.02	8.55
Other information			
Closing NAV (\$'000)	2,375	2,041	1,997
Number of shares	548,180	615,672	692,915
Operating charges (%)	1.15	1.15	1.15
Direct transaction costs (%)	0.03	0.04	0.02
Prices			
Highest share price (UK p)	321.69	270.47	230.50
Lowest share price (UK p)	232.98	226.89	206.32

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 January Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	331.02	273.11	251.44
Return before operating charges*	73.92	61.36	24.63
Operating charges	(4.01)	(3.45)	(2.96)
Return after operating charges*	69.91	57.91	21.67
Distributions	(6.32)	(5.96)	(4.53)
Retained distributions	6.32	5.96	4.53
Closing NAV	400.93	331.02	273.11
*after direct transaction cost of	0.12	0.12	0.06
Performance			
Return after charges (%)	21.12	21.20	8.62
Other information			
Closing NAV (\$'000)	34,596	26,295	22,568
Number of shares	6,262,194	6,400,865	6,513,888
Operating charges (%)	1.15	1.15	1.15
Direct transaction costs (%)	0.03	0.04	0.02
Prices			
Highest share price (UK p)	405.92	331.22	273.85
Lowest share price (UK p)	288.84	272.81	241.50

Financial statements and notes

Financial statements

Statement of total return

for the year to 31 January	Note	2026		2025	
		\$'000	\$'000	\$'000	\$'000
Income					
Net capital gains/(losses)	3		168,896		70,598
Revenue	5	18,660		16,011	
Expenses	6	(6,997)		(5,823)	
Interest payable and similar charges		0		(2)	
Net revenue/(expense) before taxation		11,663		10,186	
Taxation	7	(1,445)		(1,100)	
Net revenue/(expense) after taxation			10,218		9,086
Total return before distributions			179,114		79,684
Distributions	8		(15,747)		(13,926)
Change in net assets attributable to shareholders from investment activities			163,367		65,758

Statement of change in net assets attributable to shareholders

for the year to 31 January	2026		2025	
	\$'000	\$'000	\$'000	\$'000
Opening net assets attributable to shareholders		497,465		439,120
Amounts received on issue of shares	105,797		17,706	
Amounts paid on cancellation of shares	(37,599)		(27,390)	
		68,198		(9,684)
Dilution adjustments		11		32
Change in net assets attributable to shareholders from investment activities (see above)		163,367		65,758
Retained distributions on Accumulation shares		3,408		2,228
Unclaimed distributions		20		11
Closing net assets attributable to shareholders		732,469		497,465

Financial statements and notes

Financial statements

Balance sheet

as at 31 January	Note	2026 \$'000	2025 \$'000
Assets			
Fixed assets			
Investments		690,796	485,695
Current assets			
Debtors	9	5,775	3,529
Cash and bank balances	10	2,017	671
Cash equivalents		43,304	14,004
Total assets		741,892	503,899
Liabilities			
Creditors			
Bank overdrafts		(1,734)	0
Distribution payable		(5,379)	(4,675)
Other creditors	11	(2,310)	(1,759)
Total liabilities		(9,423)	(6,434)
Net assets attributable to shareholders		732,469	497,465

Financial statements and notes

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 8 to 11.

2 Distribution policy

In determining the amount available for distribution to Income shares, the annual charge is offset against capital, increasing the amount available for distribution whilst restraining capital performance to an equivalent extent.

3 Net capital gains/(losses)

for the year to 31 January	2026 \$'000	2025 \$'000
Non-derivative securities	169,578	70,993
Derivative contracts	(752)	0
Capital gains on US REIT	198	167
Currency gains/(losses)	(128)	(562)
Net capital gains/(losses)	168,896	70,598

Financial statements and notes

4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 10 and 11. Total direct portfolio transaction costs are stated before dilution adjustments.

for the year to 31 January	2026 \$'000	% of transaction	2025 \$'000	% of transaction
a) Purchases				
Equities				
Equities before transaction costs	178,132		91,886	
Commissions	49	0.03	34	0.04
Taxes and other fees	93	0.05	118	0.13
Total purchases after transaction costs	178,274		92,038	
b) Sales				
Equities				
Equities before transaction costs	142,028		105,177	
Commissions	(38)	0.03	(25)	0.02
Taxes and other fees	(14)	0.01	(20)	0.02
Total sales after transaction costs	141,976		105,132	
	2026 \$'000	% of average NAV	2025 \$'000	% of average NAV
c) Direct portfolio transaction costs				
Commissions paid				
Equities	87	0.01	59	0.01
Taxes and other fees paid				
Equities	107	0.02	138	0.03
Total direct portfolio transaction costs	194	0.03	197	0.04
		%		%
d) Indirect portfolio transaction costs				
Average portfolio dealing spread as at the balance sheet date		0.12		0.12

Financial statements and notes

5 Revenue

for the year to 31 January	2026 \$'000	2025 \$'000
Bank interest	11	25
Dividends from equity investments: non-taxable	16,315	13,873
Dividends from equity investments: taxable	36	183
Interest distributions	1,168	837
Property distribution: taxable	1,108	1,080
Rebate of ongoing charges from underlying funds	22	13
Total revenue	18,660	16,011

6 Expenses

for the year to 31 January	2026 \$'000	2025 \$'000
Payable to the ACD or associate		
Annual charge	6,997	5,823
Total expenses	6,997	5,823

Audit fees for the financial year ending 2026 were £12,000 (2025: £12,000) (including VAT), which are covered by the annual charge.

Financial statements and notes

7 Taxation

for the year to 31 January	2026 \$'000	2025 \$'000
a) Analysis of charge in the year		
Corporation tax	0	0
Withholding tax	1,415	1,075
Deferred tax (note 7c)	0	0
Tax on US REITs	30	25
Total taxation	1,445	1,100
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	11,663	10,186
Corporation tax at 20%	2,333	2,037
Effects of:		
Revenue: non-taxable	(3,263)	(2,775)
Capital income subject to taxation	40	34
Current year expenses not utilised	939	704
Withholding tax	1,415	1,075
Tax on US REITs	30	25
Overseas tax expensed	(25)	0
Prior year adjustment to expenses not utilised	(24)	0
Total tax charge (note 7a)	1,445	1,100
c) Provision for deferred taxation		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
Provision at the end of the year	0	0

The fund has not recognised a deferred tax asset of \$14,467,000 (2025: \$13,528,000) arising as a result of having excess management expenses. We do not expect this asset to be utilised in the foreseeable future.

Financial statements and notes

8 Distributions

For each distribution period, the distributions payable on Income shares (Inc) and distributions retained on Accumulation shares (Acc) are disclosed.

for the year to 31 January	2026		2025	
	Inc \$'000	Acc \$'000	Inc \$'000	Acc \$'000
Dividend distributions				
Interim	7,338	1,920	6,894	1,419
Final	5,379	1,488	4,675	809
Total net distributions		16,125		13,797
Income deducted on cancellation of shares		289		241
Income received on issue of shares		(667)		(112)
Distributions		15,747		13,926
Net revenue/(expense) per statement of total return		10,218		9,086
Expenses offset against capital		5,499		4,815
Capital gains tax offset against capital		30		25
Distributions		15,747		13,926

9 Debtors

as at 31 January	2026 \$'000	2025 \$'000
Amounts receivable on issues of shares	2,810	89
Currency deals outstanding	1,540	1,365
Distributions receivable	137	63
Dividends receivable	544	344
Management charge rebates due	1	0
Sales awaiting settlement	366	1,299
Withholding tax recoverable	377	369
Total debtors	5,775	3,529

10 Cash and bank balances

as at 31 January	2026 \$'000	2025 \$'000
Cash held as bank balances	2,017	671
Total cash and bank balances	2,017	671

Financial statements and notes

11 Other creditors

as at 31 January	2026 \$'000	2025 \$'000
Amounts payable on cancellation of shares	532	214
Annual charge payable	240	181
Currency deals outstanding	1,538	1,364
Total other creditors	2,310	1,759

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2025: same).

13 Shares in issue

The following table shows each class of share in issue during the year. Each share class has the same rights on winding up however they may have different charging structures as set out in note 14.

Share class	Opening 01.02.25	Issued	Movements Cancelled	Converted	Closing 31.01.26
Sterling					
Class 'A' Income	126,386,853	3,586,649	(8,631,617)	0	121,341,885
Class 'A' Accumulation	1,209,819	356,788	(293,805)	0	1,272,802
Class 'I' Income	2,121,843	4,181,097	(533,889)	0	5,769,051
Class 'I' Accumulation	20,465,305	16,242,330	(479,313)	0	36,228,322
Class 'R' Income	615,672	127,210	(194,702)	0	548,180
Class 'R' Accumulation	6,400,865	461,189	(599,860)	0	6,262,194

It is not possible to separately identify all share class conversions. As a result, the share class movements (issued/cancelled) as disclosed in the table above may also include share class conversions.

14 Charging structure

The table below sets out the charging structure for each class of share. The charging structure is the same for both Income and Accumulation shares of each class. The amounts shown are the maximum annual charge. M&G will apply a discount of 0.02% for every £1 billion of a fund's net asset value. This is assessed quarterly and implemented on a forward basis no later than 13 business days after quarter end.

Share class	Annual charge %
Sterling	
Class 'A'	1.30
Class 'I'	0.90
Class 'R'	1.15

Financial statements and notes

15 Related parties

M&G Securities Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal on all the transactions of shares in the fund except with in specie transactions, where M&G Securities Limited acts as an agent. The aggregate monies received through issues, and paid on cancellations, are disclosed in the 'Statement of change in net assets attributable to shareholders' and note 8. Amounts due to/from M&G Securities Limited in respect of share transactions at the year end are disclosed in notes 9 and 11 where applicable.

Amounts paid to M&G Securities Limited in respect of the annual charge are disclosed in note 6. Amounts due at the year end in respect of the annual charge are disclosed in note 11.

Amounts paid to M&G Securities Limited in respect of rebate arrangements for the annual charge are disclosed in notes 3 and 5. Amounts due at the year end from the ACD, and/or associate, in respect of these rebates are disclosed in note 9.

At the balance sheet date, shareholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 9.06% (2025: 9.88%) of the fund's shares.

16 Fair value analysis

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument

This includes instruments such as publicly traded equities, highly liquid bonds (eg Government bonds) and exchange traded derivatives (eg futures) for which quoted prices are readily and regularly available.

Level 2: Valuation technique using observable market data

This includes instruments such as over-the-counter (OTC) derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds which have been valued using models with observable market data inputs.

Level 3: Valuation technique using unobservable inputs

This refers to instruments which have been valued using models with unobservable data inputs. This includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

as at 31 January	Assets 2026 \$'000	Liabilities 2026 \$'000	Assets 2025 \$'000	Liabilities 2025 \$'000
Basis of valuation				
Level 1	690,785	0	485,695	0
Level 2	11	0	0	0
Level 3	0	0	0	0
	690,796	0	485,695	0

17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 11 to 13.

Financial statements and notes

18 Market risk sensitivity

A five per cent increase in the value of the fund's investment portfolio would have the effect of increasing the return and net assets by \$34,540,000 (2025: \$24,285,000). A five per cent decrease would have an equal and opposite effect.

19 Currency risk sensitivity and exposure

A five per cent increase in the value of the fund's currency exposure would have the effect of increasing the return and net assets by \$19,349,000 (2025: \$13,189,000). A five per cent decrease would have an equal and opposite effect.

as at 31 January	2026 \$'000	2025 \$'000
Currency exposure		
Australian dollar	450	4,853
Brazilian real	0	2,148
Canadian dollar	55	779
Danish krone	55	48
Euro	133,991	76,876
Hong Kong dollar	44,339	22,678
Indonesian rupiah	16,537	4,758
Japanese yen	97,259	51,324
Mexican peso	8,348	5,086
New Zealand dollar	55	742
South Korean won	31,072	14,779
Sterling	33,719	64,068
Swedish krona	12,532	9,306
Swiss franc	8,571	6,340
US dollar	345,486	233,680
Total	732,469	497,465

20 Interest rate risk sensitivity and exposure

As the majority of the fund's financial assets are non-interest bearing, the risk is not considered significant and is therefore not disclosed.

Financial statements and notes

21 Credit risk

Credit risk with regard to derivative balances is not considered significant and is therefore not disclosed.

The tables below show the exposure to counterparties. Collateral is posted daily, in the form of cash or high-quality government bonds, to minimise this exposure.

as at 31 January 2026	Forwards \$'000
Bank of America Merrill Lynch	11
Total	11

22 Dividend distribution tables

This fund pays semi-annual ordinary distributions and the following table sets out the distribution periods.

Semi-annual distribution periods

	Start	End	Xd	Payment
Interim	01.02.25	31.07.25	01.08.25	30.09.25
Final	01.08.25	31.01.26	02.02.26	31.03.26

The following tables set out for each distribution the rates per share for both Group 1 and Group 2 shares.

Group 1 shares are those purchased prior to a distribution period and therefore their income rate is the same as the distribution rate.

Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of income and equalisation. Equalisation is the average amount of income included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to Income Tax. Instead, it must be deducted from the cost of shares for Capital Gains Tax purposes. The tables below show the split of the Group 2 rates into the income and equalisation components.

Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2026 UK p	2026 UK p	2026 UK p	2025 UK p
Interim	2.6591	1.6816	4.3407	4.1131
Final	1.6013	1.4479	3.0492	2.9135

Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 January	Income	Group 2 Equalisation	Group 1 & 2 Distribution	
	2026 UK p	2026 UK p	2026 UK p	2025 UK p
Interim	1.2228	2.2386	3.4614	3.2281
Final	0.6438	1.0549	1.6987	1.6766

Financial statements and notes

Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2026 UK p	Equalisation 2026 UK p	Distribution 2026 UK p	2025 UK p
Interim	2.5742	1.9912	4.5654	4.3083
Final	0.5569	2.6564	3.2133	3.0577

Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2026 UK p	Equalisation 2026 UK p	Distribution 2026 UK p	2025 UK p
Interim	2.1033	2.2612	4.3645	4.0296
Final	0.6652	1.8782	2.5434	2.4249

Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2026 UK p	Equalisation 2026 UK p	Distribution 2026 UK p	2025 UK p
Interim	2.6804	2.1427	4.8231	4.5631
Final	2.0759	1.3145	3.3904	3.2345

Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 January	Income	Group 2	Group 1 & 2	
	2026 UK p	Equalisation 2026 UK p	Distribution 2026 UK p	2025 UK p
Interim	1.9764	2.1555	4.1319	3.8380
Final	0.9786	1.2051	2.1837	2.1227

23 Events after the balance sheet date

There were no events after the balance sheet date to disclose.

Other regulatory disclosures

Remuneration

The below disclosure is made in accordance with Undertakings for Collective Investments in Transferable Securities ('UCITS') V and the Guidelines on sound remuneration policies under the UCITS issued by the European Securities and Markets Authority ('ESMA Guidelines').

M&G Securities Limited (the 'UCITS Management Company') is subject to a remuneration policy which is consistent with the principles outlined in the ESMA Guidelines.

The remuneration policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of employees is in line with the risk policies and objectives of the UCITS funds managed by the UCITS Management Company. Further details of the remuneration policy can be found here: group.mandg.com/remuneration-policy

The remuneration policy and its implementation is reviewed on an annual basis, or more frequently where required, and is approved by the M&G plc Board Remuneration Committee. The most recent review found no fundamental issues with no material changes made to the policy.

M&G Securities Limited is required under UCITS to make quantitative disclosures of remuneration. These disclosures are made in line with M&G's interpretation of currently available guidance on quantitative remuneration disclosures. As market or regulatory guidance evolves, M&G may consider it appropriate to make changes to the way in which quantitative disclosures are calculated.

The UCITS Management Company does not employ any staff directly. The 'Identified Staff' of M&G Securities Limited are those who could have a material impact on the risk profile of M&G Securities Limited or the UCITS funds it manages and generally includes senior management, risk takers and control functions. 'Identified Staff' typically provide both UCITS and non-UCITS related services and have a number of areas of responsibility across multiple entities. Therefore, only the portion of remuneration for those individuals'

services which may be attributable to UCITS is included in the remuneration figures disclosed. Accordingly the figures are not representative of any individual's actual remuneration. The information needed to provide a further breakdown of remuneration is not readily available and would not be relevant or reliable.

The amounts shown below reflect payments made in respect of the financial year 1 January 2025 to 31 December 2025.

	Fixed Remuneration £'000	Variable Remuneration £'000	Total £'000	Beneficiaries
Senior Management	581	1,232	1,813	10
Other Identified Staff	3,525	19,864	23,389	23
Total	4,106	21,096	25,202	33

