

# M&G Investment Funds (10)

**Interim report and unaudited financial statements  
for the six months ended 30 September 2024**

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# Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Investment Funds (10) presents its interim report and unaudited financial statements for the six months ended 30 September 2024.

The unaudited financial statements of M&G Investment Funds (10), the Authorised Corporate Director's Reports including the portfolio statements, financial highlights and the unaudited 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](https://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 (10) is an umbrella Open-Ended Investment Company (OEIC) and contains eleven 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 26 August 2010, the M&G UK Inflation Linked Corporate Bond Fund was launched on 16 September 2010, the M&G Absolute Return Bond Fund was launched on 13 December 2016, the M&G Global Listed Infrastructure Fund was launched on 5 October 2017, the M&G Positive Impact Fund was launched on 20 November 2018, the M&G Global Enhanced Equity Premia Fund was launched on 12 November 2019, the M&G Sustainable Global High Yield Bond Fund was launched on 25 February 2020, the M&G Climate Solutions Fund was launched on

5 November 2020, the M&G Better Health Solutions Fund was launched on 17 June 2021, the M&G Sustainable Global Corporate Bond Fund was launched on 18 May 2022, the M&G Global AI Themes Fund was launched on 17 October 2023 and the M&G China Fund was launched on 29 July 2024.

On 11 May 2023, following approval from the FCA, investors were formally notified of the ACD's intention to close M&G Absolute Return Bond Fund. The fund closed on 13 July 2023. As at the date of publication of this report, no termination date has been set for the fund.

On 7 July 2023, following approval from the FCA, investors were formally notified of the ACD's intention to close M&G Global Enhanced Equity Premia Fund. The fund closed on 8 August 2023. As at the date of publication of this report, no termination date has been set for the fund.

On 18 September 2024, the investors were notified of the ACD's intention that the M&G Better Health Solutions Fund will be closing on 28 November 2024 and the dealing in this fund was suspended from 18 November 2024 in anticipation of its closure.

On 18 September 2024, the investors were notified of the ACD's intention that the M&G Climate Solutions Fund will be closing on 28 November 2024 and the dealing in this fund was suspended from 18 November 2024 in anticipation of its closure.

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 30 September 2024, 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.

# Authorised Corporate Director's Report

## Fund managers

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

### M&G Absolute Return Bond Fund (closed)

Wolfgang Bauer

### M&G Better Health Solutions Fund

Jasveet Brar

### M&G China Fund

David Perrett

### M&G Climate Solutions Fund

Michael Rae

### M&G Global AI Themes Fund

Jeffrey Lin

### M&G Global Enhanced Equity Premia Fund (closed)

Gautam Samarth

### M&G Global Listed Infrastructure Fund

Alex Araujo

### M&G Positive Impact Fund

John William Olsen

### M&G Sustainable Global Corporate Bond Fund

Ben Lord and Mario Eisenegger

### M&G Sustainable Global High Yield Bond Fund

Stefan Isaacs and Lu Yu

Please note that effective from 1 August 2024, Stefan Isaacs replaced James Tomlins as co-fund manager.

### M&G UK Inflation Linked Corporate Bond Fund

Ben Lord and Matthew Russell

## 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

N J Brooks, C Dobson (non executive director),

S A Fitzgerald, P R Jelfs,

M McGrade (non executive director), L J Mumford

## Investment manager

M&G Investment Management Limited

10 Fenchurch Avenue, London EC3M 5AG, UK

(Authorised and regulated by the Financial Conduct Authority)

## 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 to 31 March 2024 can be found on our website at [mandg.com/investments/valueassessment](http://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

# Authorised Corporate Director's Report

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](https://mandg.com/footer/sustainability-disclosures)

## Important information

The events in Ukraine continue to bring uncertainty. The ACD continues to monitor the associated risks that are posed to the Company.

On 11 May 2023, following approval from the FCA, investors were formally notified of the ACD's intention to close M&G Absolute Return Bond Fund. The fund closed on 13 July 2023. As at the date of publication of this report, no termination date has been set for the fund.

On 7 July 2023, following approval from the FCA, investors were formally notified of the ACD's intention to close M&G Global Enhanced Equity Premia Fund. The fund closed on 8 August 2023. As at the date of publication of this report, no termination date has been set for the fund.

On 29 July 2024, the M&G China Fund was launched within M&G Investment Funds (10).

With effect from 1 August 2024, Stefan Isaacs replaced James Tomlins as co-fund manager of the M&G Sustainable Global High Yield Bond Fund.

On 18 September 2024, the investors were notified of the ACD's intention that the M&G Better Health Solutions Fund will be closing on 28 November 2024 and the dealing in this fund was suspended from 18 November 2024 in anticipation of its closure.

On 18 September 2024, the investors were notified of the ACD's intention that the M&G Climate Solutions Fund will be closing on 28 November 2024 and the dealing in this fund was suspended from 18 November 2024 in anticipation of its closure.

On 28 October 2024, the M&G India Fund was launched within M&G Investments Funds (10).

From January 2025 the operating charge figure will not include the underlying charges for closed-ended-funds, such as investment trusts and real estate investment trusts. There is no change to what you are currently being charged, this is a presentational change to align with the latest industry guidance issued by the Investment Association.

Please refer to the 'Investment review' section for further details on 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 Depositary.

## 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.

For the reasons stated in the ACD's Report, the financial statements of the M&G Absolute Return Bond Fund and the M&G Global Enhanced Equity Premia Fund have not been prepared on a going concern basis.

For the reasons stated in the ACD's Report, the financial statements of the M&G Better Health Solutions Fund and the M&G Climate Solutions Fund have been prepared on a break-up basis.

## 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  
27 November 2024

# Financial statements and notes

The financial statements for M&G Investment Funds (10) comprise the financial statements for each fund and the notes below.

## Notes to the financial statements

### Accounting policies

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 interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 31 March 2024. They are prepared under the historical cost convention, as modified by the revaluation of investments, 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.

The M&G Absolute Return Bond Fund closed on 13 July 2023 and M&G Global Enhanced Equity Premia Fund closed on 8 August 2023. As a result, the financial statements of these funds have been prepared on a basis other than going concern. Under this basis, assets are recorded at their recoverable value and liabilities are recorded at their expected settlement value. Any additional costs in respect of the termination of the fund will be borne by the ACD.

The ACD has notified investors of its intention that the M&G Better Health Solutions Fund and the M&G

Climate Solutions Fund will be closing on 28 November 2024. As a result the financial statements of these funds have been prepared on a break-up basis. Under this basis assets are recorded at their recoverable value and liabilities are recorded at their expected settlement value. Any additional costs in respect of the termination of the funds will be borne by the ACD.

# Authorised Corporate Director's Report

The M&G Absolute Return Bond Fund closed on 13 July 2023. As at the date of publication of this report, no termination date has been set for the fund. The investment objective, investment policy, investment approach, benchmark, risk profile and investment review have not been disclosed.



# Portfolio Statement

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## Portfolio Statement

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The fund had no holdings as at the end of the period.

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The fund had no portfolio transactions for the six months to 30 September 2024

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## M&G Absolute Return Bond Fund (closed)

# Financial highlights

The M&G Absolute Return Bond Fund closed on 13 July 2023. As at the date of publication of this report, no termination date has been set for the fund. The fund performance, long-term performance by share class and comparative tables have not been disclosed.

# Financial statements and notes

## Financial statements

### Statement of total return

for the six months to 30 September	2024		2023	
	£'000	£'000	£'000	£'000
<b>Income</b>				
Net capital gains/(losses)		0		34
Revenue	1		109	
Expenses	0		(30)	
Interest payable and similar charges	(1)		0	
Net revenue/(expense) before taxation	0		79	
Taxation	0		0	
Net revenue/(expense) after taxation		0		79
<b>Total return before equalisation</b>		<b>0</b>		<b>113</b>
Equalisation		0		(79)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>0</b>		<b>34</b>

### Statement of change in net assets attributable to shareholders

for the six months to 30 September	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>0</b>		<b>13,746</b>
Amounts received on issue of shares	0		915	
Amounts paid on cancellation of shares	0		(14,707)	
		0		(13,792)
Dilution adjustments		0		12
Change in net assets attributable to shareholders from investment activities (see above)		0		34
<b>Closing net assets attributable to shareholders</b>		<b>0</b>		<b>0</b>

The fund closed on 13 July 2023.

# Financial statements and notes

## Financial statements

### Balance sheet

as at	30 September 2024 £'000	31 March 2024 £'000
<b>Assets</b>		
<b>Fixed assets</b>		
Investments	0	0
<b>Current assets</b>		
Debtors	14	14
Cash and bank balances	0	0
<b>Total assets</b>	<b>14</b>	<b>14</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Bank overdrafts	(14)	(14)
Other creditors	0	0
<b>Total liabilities</b>	<b>(14)</b>	<b>(14)</b>
<b>Net assets attributable to shareholders</b>	<b>0</b>	<b>0</b>

The fund closed on 13 July 2023.

# Financial statements and notes

## Notes to the financial statements

### Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 5.

# Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 6 June 2024 has been used.

## Investment objective

The fund has two aims:

- To provide a higher total return (capital growth plus income), net of the ongoing charges figure, than the MSCI World Index over any five-year period; and
- To invest in companies that deliver solutions to the challenge of better health and well-being.

## Investment policy

At least 80% of the fund is invested directly in the equity securities and equity related securities of companies across any sector and market capitalisation that are domiciled, incorporated or listed in developed markets. The fund has a concentrated portfolio of usually fewer than 40 companies.

The fund may also invest directly in the equity securities and equity related securities of companies that are domiciled, incorporated or listed in emerging markets.

The fund invests in securities that meet the ESG criteria and impact criteria.

The following types of exclusions apply to the fund's direct investments:

- Norms-based exclusions: investments that are assessed to be in breach of commonly accepted standards of behaviour related to human rights, labour rights, environment and anti-corruption.
- Sector-based and/or values-based exclusions: investments and/or sectors exposed to business activities that are assessed to be damaging to human health, societal well-being, the environment, or otherwise assessed to be misaligned with the fund's sector-based and/or values-based criteria.

- Other exclusions: investments assessed to be otherwise in conflict with the ESG criteria and impact criteria.

References to 'assessed' above mean assessment in accordance with the ESG criteria and impact criteria document as disclosed in the ESG information section below. Further information on the exclusions applicable to the fund can be found in the Prospectus, which is available free of charge either from our website at [mandg.co.uk/prospectuses](http://mandg.co.uk/prospectuses) or by calling M&G Customer Relations.

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

Derivatives may be used for efficient portfolio management and hedging.

As explained in the ESG criteria and impact criteria document, it may not be practicable to perform ESG analysis on cash, near cash, some derivatives and some collective investment schemes, to the same standards as for the other investments. The fund manager will assess the suitability of such instruments relative to the fund's investment objective.

## Investment approach

The fund is a concentrated portfolio of global stocks, investing over the long term in companies that are delivering solutions to the challenge of better health and well-being alongside a financial return, using a disciplined stock selection process. Sustainability and impact investing considerations are fundamental in determining the fund's investment universe and assessing business models as further set out in the ESG criteria and impact criteria.

The fund invests in companies that deliver solutions to the challenge of better health and/or better well-being. As further described in the impact criteria, these can be understood by reference to the United Nations Sustainable Development Goals framework as

# Authorised Corporate Director's Report

companies such as those which are focused on sustainable development goals such as health and well-being; zero hunger; clean water and sanitation; sustainable cities and communities; responsible consumption and production; or other companies which the investment manager considers appropriate to invest in, in pursuit of the non-financial investment objective.

All equity securities and equity related instruments are subject to assessment and measurement of their ability to deliver solutions to the challenge of better health and well-being and generate financial returns, which is conducted at company level using M&G's impact assessment methodology. This focuses on three criteria:

- Investment credentials: the quality and durability of the company's business model and its ability to produce sustainable economic returns;
- Intention: the company's purpose as evidenced by the alignment of its mission statement with its corporate strategy and actions; and
- Impact: the scale of the net positive societal impact and the company's progress towards addressing specified health and well-being challenges.

The fund invests in three categories of better health and/or well-being companies.

- 'Pioneers', whose products or services have or could have a transformational effect on improving global health and/or well-being.
- 'Enablers', which provide the tools for others to deliver better health and/or well-being.
- 'Leaders', which spearhead and mainstream sustainability in industries promoting better health and/or well-being, but which may have more established profitability than pioneers.

Dialogue with the companies in which the fund invests is fundamental to the investment approach.

## ESG Information

Additional information is available to investors on the fund page of the M&G website:

- ESG criteria and impact criteria, which includes the fund's exclusions approach.
- Annual Impact Report providing an assessment of the fund's sustainable objective will also be published when available.
- Other periodic reporting on the sustainable objective of the fund.

## Benchmark

MSCI World Index

The benchmark is a target for the fund's financial objective and is used to measure the fund's financial performance. The index has been chosen as the fund's benchmark as it best reflects the financial aspects of the fund's investment policy. The benchmark 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, and as a result the fund's performance may deviate materially from the benchmark.

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.

# Authorised Corporate Director's Report

## Risk profile

For details of the risks associated with this fund, please refer to the Prospectus.

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.

## Investment review

For the six months ended 30 September 2024

### Performance against objective

Between 1 April 2024 (the start of the review period) and 30 September 2024, the M&G Better Health Solutions Fund delivered a positive total return (the combination of income and growth of capital) across all of its sterling share classes but underperformed its benchmark, the MSCI World Index, which returned 3.1% over the same period under review.

The fund was launched in June 2021 and thus cannot be measured on its performance objective to provide a higher total return (the combination of capital growth and income), net of the ongoing charges figure, than the MSCI World Index over any five-year period.

The fund's second objective is to invest in companies that deliver solutions to the challenge of better health and well-being. To identify these companies, we apply a proprietary framework that consistently uses set criteria

and standards for rating the impact and investment case of these companies.

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

### Performance review

Global equities generally performed well in the six months under review. Markets were boosted by signs of easing inflation, excitement about artificial intelligence (AI), hopes of interest rate cuts and positive economic data. In September, a significant interest rate cut in the US and a substantial stimulus package in China buoyed markets.

However, the period was punctuated by market dips. In April, fears that interest rates might remain higher for longer and worries about tensions in the Middle East proved detrimental to markets. Global equities also underwent a period of turbulence in July and August. Though markets gained during these months, the so-called 'Magnificent Seven' mega-cap tech stocks suffered losses in July after earnings releases left investors underwhelmed. Furthermore, at the start of August, worries about an economic slowdown in the US and volatility in the Japanese yen (sparked by an increase in interest rates by the Bank of Japan) had negative ramifications for markets.

The fund's above-benchmark position in healthcare and lack of exposure to technology dented relative performance. Stockpicking in financials, healthcare and industrials also had a negative impact on relative performance. In contrast, the absence of any holdings in the energy sector enhanced relative returns, as did stock selection in consumer staples.

Key detractors from relative performance included Autoliv and Novo Nordisk. In May, Autoliv's share price rose after it demonstrated robust growth despite a weak market for new car production. In July, positive early-stage trial data on Roche's weight-loss pill led to a drop in Novo Nordisk's share price. Roche's medication is a potential rival to Novo Nordisk's Wegovy. In August, the pharma company cut its full-year profit outlook and released disappointing second-quarter sales figures for



# Authorised Corporate Director's Report

Wegovy. This resulted in another fall in its share price. In September, the market reacted negatively to news that Ozempic was likely to be the subject of pricing discussions between Novo Nordisk and the US Centers for Medicare & Medicaid Services.

The top contributors to the fund's relative performance were Xvivo Perfusion and ALK-Abello. In April, Xvivo Perfusion's share price rose after it released strong first-quarter results, primarily driven by its kidney and lung transplant solutions. In May, ALK-Abello released solid quarterly results and raised its full-year revenue guidance. This was largely due to strong demand for its tablets in Europe. In August, ALK-Abello again increased its full-year guidance on the back of continued strength in its allergy tablet business.

## Investment activities

In April, we decided to close our position in Grifols. A number of factors contributed to this decision, including concerns about the healthcare company's ability to refinance its debt should the sale of its stake in Shanghai RAAS fall through.

In June, GRAIL became part of the fund after its spin-off from Illumina. We immediately closed our position in the company.

We closed our small position in Teladoc Health in August: we were concerned about the strength of the company's long-term business model.

## ESG engagement

We met PureTech Health to supply an opinion on its new remuneration structures for both executives (long-term incentive plan (LTIP)) and non-executive directors (equity awards, potentially in subsidiary companies). We also provided our views on the suitability of the recommended new board chair, who had been acting as interim chair.

With regard to executive LTIPs, particularly as there had been no changes to the number, we were broadly comfortable with the new proposed split between performance shares and restricted shares.

In terms of non-executive director share issuance, we were concerned about potential conflicts of interest

arising from non-executive directors receiving the equity of subsidiaries, as well as the discretionary nature of this arrangement – the board would effectively be deciding its own pay structure (ie, whether it receives PureTech Health equity or that of subsidiaries).

Regarding the new board chair, particularly in light of UK governance best practice, we highlighted that the proposed chair's tenure made independence questionable. Following our meeting, we wrote to the company secretary, reiterating the above points.

## Outlook

In accordance with the investor notification dated 18 September, the fund will be closing on 28 November 2024 as it has not achieved the expected level of interest from investors and as a result has not attained the size required to make it commercially viable.

## Jasveet Brar

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 30.09.24 \$'000	as at 30.09.24 %	as at 31.03.24 %
<b>Equities</b>	<b>18,696</b>	<b>98.99</b>	<b>97.44</b>
<b>Chemicals</b>	<b>1,255</b>	<b>6.64</b>	<b>6.05</b>
3,194 DSM-Firmenich AG	437	2.31	
3,213 Ecolab, Inc.	818	4.33	
<b>Commercial services &amp; supplies</b>	<b>420</b>	<b>2.22</b>	<b>2.51</b>
2,374 MSA Safety, Inc.	420	2.22	
<b>Professional services</b>	<b>727</b>	<b>3.85</b>	<b>3.62</b>
10,514 Intertek Group PLC	727	3.85	
<b>Auto components</b>	<b>614</b>	<b>3.25</b>	<b>4.34</b>
6,577 Autoliv, Inc.	614	3.25	
<b>Leisure products</b>	<b>686</b>	<b>3.63</b>	<b>2.95</b>
3,600 Shimano, Inc.	686	3.63	
<b>Hotels, restaurants &amp; leisure</b>	<b>224</b>	<b>1.19</b>	<b>0.85</b>
107,045 Gym Group PLC	224	1.19	
<b>Internet &amp; direct marketing retail</b>	<b>144</b>	<b>0.76</b>	<b>0.46</b>
210,000 Alibaba Health Information Technology Ltd.	144	0.76	
<b>Household products</b>	<b>915</b>	<b>4.84</b>	<b>4.34</b>
8,833 Colgate-Palmolive Co.	915	4.84	
<b>Personal products</b>	<b>615</b>	<b>3.26</b>	<b>2.66</b>
115,584 Haleon PLC	615	3.26	
<b>Health care equipment &amp; supplies</b>	<b>2,595</b>	<b>13.74</b>	<b>12.33</b>
8,122 Alcon, Inc.	811	4.29	
3,217 Becton Dickinson & Co.	776	4.11	
3,651 DiaSorin SpA	432	2.29	
1,706 Masimo Corp.	227	1.20	
7,013 Xvivo Perfusion AB	349	1.85	
<b>Health care providers &amp; services</b>	<b>2,266</b>	<b>12.00</b>	<b>10.42</b>
8,035 Fresenius Medical Care AG	343	1.82	
5,672 Quest Diagnostics, Inc.	876	4.64	
1,795 UnitedHealth Group, Inc.	1,047	5.54	
<b>Health care technology</b>	<b>681</b>	<b>3.61</b>	<b>3.74</b>
3,229 Veeva Systems, Inc.	681	3.61	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 \$'000	as at 30.09.24 %	as at 31.03.24 %
<b>Equities (continued)</b>			
<b>Biotechnology</b>	<b>456</b>	<b>2.41</b>	<b>5.40</b>
4,911 Edwards Lifesciences Corp.	326	1.72	
63,835 PureTech Health PLC	130	0.69	
<b>Pharmaceuticals</b>	<b>4,083</b>	<b>21.62</b>	<b>21.98</b>
22,589 ALK-Abello AS	580	3.07	
6,116 AstraZeneca PLC	955	5.06	
38,239 GSK PLC	781	4.13	
11,468 Novo Nordisk AS	1,359	7.20	
2,094 Zoetis, Inc.	408	2.16	
<b>Life sciences tools &amp; services</b>	<b>2,464</b>	<b>13.05</b>	<b>12.66</b>
3,628 Agilent Technologies, Inc.	537	2.84	
2,076 Illumina, Inc.	269	1.43	
49,935 Oxford Nanopore Technologies PLC	108	0.57	
2,204 Sartorius Stedim Biotech	474	2.51	
1,753 Thermo Fisher Scientific, Inc.	1,076	5.70	
<b>Insurance</b>	<b>551</b>	<b>2.92</b>	<b>3.13</b>
11,417 AMERISAFE, Inc.	551	2.92	
<b>Total portfolio</b>	<b>18,696</b>	<b>98.99</b>	<b>97.44</b>
<b>Net other assets/(liabilities)</b>	<b>191</b>	<b>1.01</b>	<b>2.56</b>
<b>Net assets attributable to shareholders</b>	<b>18,887</b>	<b>100.00</b>	<b>100.00</b>

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

# Portfolio statement

## Top ten portfolio transactions for the six months to 30 September 2024

Largest purchases	\$'000
Sartorius Stedim Biotech	154
GSK PLC	142
Veeva Systems, Inc.	133
UnitedHealth Group, Inc.	109
Novo Nordisk AS	85
Thermo Fisher Scientific, Inc.	74
AstraZeneca PLC	64
Illumina, Inc.	60
Colgate-Palmolive Co.	59
Autoliv, Inc.	58
Other purchases	690
<b>Total purchases</b>	<b>1,628</b>

Largest sales	\$'000
Novo Nordisk AS	363
Grifols SA Preference Shares	329
Thermo Fisher Scientific, Inc.	115
UnitedHealth Group, Inc.	111
AstraZeneca PLC	108
ALK-Abello AS	106
Colgate-Palmolive Co.	95
Quest Diagnostics, Inc.	91
Ecolab, Inc.	84
GSK PLC	84
Other sales	1,113
<b>Total sales</b>	<b>2,599</b>

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](http://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. Please refer to 'Comparative tables' for the share class launch dates.

Share class	Six months % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+0.5	+0.1	n/a	n/a
Class 'A' Accumulation	+0.5	+0.1	n/a	n/a
Class 'I' Income	+0.7	+0.4	n/a	n/a
Class 'I' Accumulation	+0.7	+0.4	n/a	n/a
Class 'PP' Income	+0.8	+0.6	n/a	n/a
Class 'PP' Accumulation	+0.7	+0.5	n/a	n/a
Class 'R' Income	+0.6	+0.2	n/a	n/a
Class 'R' Accumulation	+0.6	+0.2	n/a	n/a
Class 'Z' Accumulation	+1.0	+1.1	n/a	n/a
<b>Benchmark</b>	<b>+3.1</b>	<b>+9.8</b>	<b>n/a</b>	<b>n/a</b>

<sup>a</sup> Not annualised.

## Comparative tables

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

# Financial highlights

## Sterling Class 'A' Income shares

The share class was launched on 17 June 2021.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	57	62	56
Number of shares	42,626	49,512	49,512
Closing NAV per share (UK p)	99.85	99.35	92.16
Operating charges (%)	1.10	1.10	1.10

## Sterling Class 'I' Income shares

The share class was launched on 17 June 2021.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	42	71	59
Number of shares	31,024	55,902	51,418
Closing NAV per share (UK p)	101.07	100.42	92.80
Operating charges (%)	0.70	0.70	0.70

## Sterling Class 'PP' Income shares

The share class was launched on 17 June 2021.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	14	25	23
Number of shares	10,000	20,070	20,070
Closing NAV per share (UK p)	101.44	100.70	92.97
Operating charges (%)	0.60	0.60	0.60

## Sterling Class 'R' Income shares

The share class was launched on 17 June 2021.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	95	55	33
Number of shares	70,748	43,575	28,748
Closing NAV per share (UK p)	100.29	99.76	92.41
Operating charges (%)	0.95	0.95	0.95

## Sterling Class 'A' Accumulation shares

The share class was launched on 17 June 2021.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	241	349	231
Number of shares	173,287	268,089	197,802
Closing NAV per share (UK p)	103.70	103.20	94.48
Operating charges (%)	1.10	1.10	1.10

## Sterling Class 'I' Accumulation shares

The share class was launched on 17 June 2021.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	602	672	439
Number of shares	427,893	510,900	373,091
Closing NAV per share (UK p)	105.01	104.32	95.15
Operating charges (%)	0.70	0.70	0.70

## Sterling Class 'PP' Accumulation shares

The share class was launched on 17 June 2021.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	194	207	36
Number of shares	137,392	156,947	30,368
Closing NAV per share (UK p)	105.31	104.59	95.32
Operating charges (%)	0.60	0.60	0.60

## Sterling Class 'R' Accumulation shares

The share class was launched on 17 June 2021.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	509	634	476
Number of shares	364,507	485,277	405,791
Closing NAV per share (UK p)	104.18	103.61	94.72
Operating charges (%)	0.95	0.95	0.95

# Financial highlights

## Sterling Class 'Z' Accumulation shares

The share class was launched on 17 June 2021.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	17,133	16,864	14,795
Number of shares	11,911,655	12,580,783	12,412,751
Closing NAV per share (UK p)	107.28	106.28	96.31
Operating charges (%)	0.00	0.00	0.00

# Financial statements and notes

## Financial statements

### Statement of total return

for the six months to 30 September	2024		2023	
	\$'000	\$'000	\$'000	\$'000
<b>Income</b>				
Net capital gains/(losses)		1,219		(300)
Revenue	154		132	
Expenses	(9)		(7)	
Interest payable and similar charges	0		0	
Net revenue/(expense) before taxation	145		125	
Taxation	(15)		(13)	
Net revenue/(expense) after taxation		130		112
<b>Total return before equalisation</b>		<b>1,349</b>		<b>(188)</b>
Equalisation		(9)		0
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>1,340</b>		<b>(188)</b>

### Statement of change in net assets attributable to shareholders

for the six months to 30 September	2024		2023	
	\$'000	\$'000	\$'000	\$'000
<b>Opening net assets attributable to shareholders</b>		<b>18,939</b>		<b>16,148</b>
Amounts received on issue of shares	1,138		1,608	
Amounts paid on cancellation of shares	(2,534)		(245)	
		(1,396)		1,363
Dilution adjustments		4		3
Change in net assets attributable to shareholders from investment activities (see above)		1,340		(188)
<b>Closing net assets attributable to shareholders</b>		<b>18,887</b>		<b>17,326</b>

The opening net assets attributable to shareholders for 2024 differs to the closing position in 2023 by the change in net assets attributable to shareholders for the second half of the comparative financial year.



# Financial statements and notes

## Financial statements

### Balance sheet

as at	30 September 2024 \$'000	31 March 2024 \$'000
<b>Assets</b>		
<b>Fixed assets</b>		
Investments	0	18,455
<b>Current assets</b>		
Investments	18,696	0
Debtors	130	39
Cash and bank balances	21	460
Cash equivalents	135	0
<b>Total assets</b>	<b>18,982</b>	<b>18,954</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Distribution payable	0	(3)
Other creditors	(95)	(12)
<b>Total liabilities</b>	<b>(95)</b>	<b>(15)</b>
<b>Net assets attributable to shareholders</b>	<b>18,887</b>	<b>18,939</b>

# Financial statements and notes

## Notes to the financial statements

### Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 5.

### 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.

# Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 6 June 2024 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 MSCI China with 100% China 'A' Shares Index, over any five-year period.

## Investment policy

At least 80% of the fund's net asset value is invested in equity securities and equity-related instruments of companies that are incorporated, listed, domiciled or do most of their business in the People's Republic of China.

This may include investing via Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.

The fund may also invest in other transferable securities (for example, equity securities or equity related instruments of non-chinese companies), money market instruments, cash and near cash for liquidity purposes, directly and via funds (including funds managed by M&G).

Derivatives may be used for efficient portfolio management and hedging.

## Investment approach

The fund manager uses a fundamental, bottom-up approach to identify stocks that the fund manager believes are likely to outperform based on their financial characteristics and their markets.

The fund manager performs fundamental analysis on companies assessing their potential in light of their financial condition, economic, political, and regulatory conditions to identify opportunities arising from significant deviation between the price and the estimated value of the stock.

The strategy focuses in particular on those stocks where the fund manager believes it has a strong insight. The fund manager uses independent, proprietary research to identify opportunities from the investment universe of securities and concentrates its research on these companies.

The fund manager expects stock selection to be the main driver of performance.

## Benchmark

MSCI China with 100% China 'A' Shares 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.

In case of currency hedged share classes, the benchmark may be a currency hedged version of the benchmark. For all share classes, the relevant benchmark used for comparison purposes will be shown in the KIID.

# Authorised Corporate Director’s Report

## Risk profile

For details of the risks associated with this fund, please refer to the Prospectus.

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.

## Investment review

For the period from 29 July 2024 (launch date of the fund) to 30 September 2024

### Performance against objective

As the fund was launched less than 12 months ago, on 29 July 2024, this report does not include performance. It is too early to state whether the fund has met its objective, to provide a higher total return (capital growth plus income), net of the ongoing charge figure, than that of the MSCI China with 100% China ‘A’ Shares Index over any five-year period.

### Market review

For much of the review period, Chinese share prices continued their drift lower on investors’ concerns about weak economic growth and the health of the property sector. However, towards the end of September, the People’s Bank of China (PBoC) announced a raft of measures aimed at boosting the economy and the stockmarket. As a result, Chinese stockmarkets enjoyed their best week for many years. Stimulus measures

included a cut in the benchmark interest rate and a reduction in the reserve requirement ratio for banks. Both moves are intended to encourage lending. The PBoC also reduced the minimum downpayment requirement for second homes to 15% from 25% and unveiled funds, which it can lend to companies (to buy back their shares) and to non-bank financial institutions (to buy local equities).

### Fund positioning

As at the end of September, almost all of the fund was invested in equity securities and equity-related instruments of companies that are incorporated, listed, domiciled or do most of their business in the People’s Republic of China.

The largest allocation by sector was to consumer discretionary stocks, in particular online retailers such as Alibaba (where the fund had a slightly underweight position) and JD.com, and auto stocks such as leading electric vehicle manufacturer BYD. The fund also had a large overweight allocation to industrial stocks, featuring companies such as maritime transport company Pacific Basin Shipping, Beijing-Shanghai High Speed Railway, battery manufacturer and electronic and electrical equipment firm Contemporary Amperex Technology (CATL). Whilst the fund had a large allocation to technology, it was underweight versus the benchmark. The largest holdings are multinational technology conglomerate Tencent and shopping platform Meituan.

### Investment activities

We aim to identify significant dislocations between the price and what we consider to be the underlying value of a stock. We seek to exploit these dislocations using what we believe to be our greater perspective compared to other investors. In our opinion, our edge does not come from better forecasting, but rather from the superior pricing of risk.

Our strategy utilises independent, proprietary research to identify and extensively research opportunities across a broad pre-defined universe of Chinese stocks, which has been carefully refined over many years.

# Authorised Corporate Director's Report

We tend to make longer-term investments, although returns may be enhanced by opportunistic positioning where we believe it is merited by the risk/reward opportunity. The desire is for portfolio returns to be driven by our stockpicking ability, rather than the portfolio's exposure to be dominated by one or two specific investment styles. We also pay close attention to the portfolio's below-benchmark positions. The performance gap between the portfolio and the benchmark index over time is affected not just by what we invest in, but also what we do not.

## Outlook

Investors always have things that worry them, the summer and autumn of 2024 feels like it has served up an especially crowded agenda of concerns. As bottom-up focused stockpickers, we are not in the business of economic forecasting and certainly would never pretend to be in a position to have answers to the market's laundry list of fears.

However, we would argue that we are in a position, based on our knowledge and perspective from following some listed companies for a prolonged period, to judge when investors have taken their macroeconomic concerns to extremes. At these points in time, individual stock valuation seemingly begins to price in very unlikely outcomes in our view – based on an objective assessment of comparable historic periods or underlying company valuation.

It appears to us that investors in China have become incredibly short term-focused, responding to every new data point. Such short termism creates an excellent opportunity for long-term investors like M&G.

Volatile markets are not always fun. Sharp equity price moves can be unsettling and emotionally draining.

However, through careful portfolio construction and disciplined bottom-up stock analysis, these periods of volatility can create excellent opportunities for M&G to add value for our clients.

## David Perrett

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 30.09.24 \$'000	as at 30.09.24 %
<b>Equities</b>	<b>8,219</b>	<b>98.56</b>
<b>Oil, gas &amp; consumable fuels</b>	<b>132</b>	<b>1.58</b>
102,000 China Petroleum & Chemical Corp.	64	0.77
116,000 Sinopec Kantons Holdings Ltd.	68	0.81
<b>Chemicals</b>	<b>230</b>	<b>2.76</b>
19,000 Anhui Jinhe Industrial Co. Ltd.	68	0.82
46,000 Dongyue Group Ltd.	46	0.55
21,000 Hengli Petrochemical Co. Ltd.	47	0.56
53,700 Hubei Huitian New Materials Co. Ltd.	69	0.83
<b>Construction materials</b>	<b>117</b>	<b>1.40</b>
7,000 Anhui Conch Cement Co. Ltd.	20	0.24
49,384 Beijing Oriental Yuhong Waterproof Technology Co. Ltd.	97	1.16
<b>Metals &amp; mining</b>	<b>53</b>	<b>0.64</b>
54,000 Baoshan Iron & Steel Co. Ltd.	53	0.64
<b>Construction &amp; engineering</b>	<b>73</b>	<b>0.87</b>
106,000 Sinopec Engineering Group Co. Ltd.	73	0.87
<b>Electrical equipment</b>	<b>594</b>	<b>7.12</b>
5,700 Contemporary Amperex Technology Co. Ltd.	203	2.43
45,000 Dongfang Electric Corp. Ltd.	61	0.73
79,400 Jiangsu Zhongtian Technology Co. Ltd.	175	2.10
16,600 NARI Technology Co. Ltd.	65	0.78
6,400 Sungrow Power Supply Co. Ltd.	90	1.08
<b>Machinery</b>	<b>487</b>	<b>5.84</b>
82,000 CIMC Enric Holdings Ltd.	73	0.88
74,000 CRRC Corp. Ltd.	48	0.58
102,000 Morimatsu International Holdings Co. Ltd.	72	0.86
18,400 Shanghai Hanbell Precise Machinery Co. Ltd.	53	0.64
15,900 Sinoseal Holding Co. Ltd.	86	1.03
42,000 Weichai Power Co. Ltd.	77	0.92
40,700 Yangzijiang Shipbuilding Holdings Ltd.	78	0.93
<b>Air freight &amp; logistics</b>	<b>60</b>	<b>0.72</b>
117,000 Sinotrans Ltd.	60	0.72

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 \$'000	as at 30.09.24 %
<b>Equities (continued)</b>		
<b>Transportation infrastructure</b>	<b>203</b>	<b>2.43</b>
96,000 COSCO SHIPPING Ports Ltd.	58	0.69
81,000 Hainan Meilan International Airport Co. Ltd.	91	1.09
9,800 Shanghai International Airport Co. Ltd.	54	0.65
<b>Automobiles</b>	<b>207</b>	<b>2.48</b>
3,900 BYD Co. Ltd. 'A' Shares	170	2.04
1,000 BYD Co. Ltd. 'H' Shares	37	0.44
<b>Household durables</b>	<b>125</b>	<b>1.50</b>
10,700 Gree Electric Appliances, Inc. of Zhuhai	73	0.88
1,631 Midea Group Co. Ltd.	15	0.18
3,400 Midea Group Co. Ltd. 'A' Shares	37	0.44
<b>Textiles, apparel &amp; luxury goods</b>	<b>139</b>	<b>1.67</b>
283,000 Crystal International Group Ltd.	139	1.67
<b>Hotels, restaurants &amp; leisure</b>	<b>491</b>	<b>5.89</b>
3,458 Atour Lifestyle Holdings Ltd. ADR	93	1.12
2,849 H World Group Ltd. ADR	112	1.34
9,500 Meituan	210	2.52
30,000 TravelSky Technology Ltd.	44	0.53
677 Yum China Holdings, Inc.	32	0.38
<b>Beverages</b>	<b>476</b>	<b>5.71</b>
33,500 China Resources Beer Holdings Co. Ltd.	146	1.75
1,100 Kweichow Moutai Co. Ltd.	272	3.26
2,500 Wuliangye Yibin Co. Ltd.	58	0.70
<b>Food products</b>	<b>92</b>	<b>1.10</b>
116,500 WH Group Ltd.	92	1.10
<b>Health care equipment &amp; supplies</b>	<b>46</b>	<b>0.55</b>
1,100 Shenzhen Mindray Bio-Medical Electronics Co. Ltd.	46	0.55
<b>Biotechnology</b>	<b>80</b>	<b>0.96</b>
335 BeiGene Ltd. ADR	80	0.96
<b>Pharmaceuticals</b>	<b>81</b>	<b>0.97</b>
19,500 HUTCHMED China Ltd.	81	0.97

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 \$'000	as at 30.09.24 %
<b>Equities (continued)</b>		
<b>Life sciences tools &amp; services</b>		
12,000 Wuxi Biologics Cayman, Inc.	27	0.32
<b>Banks</b>		
313,000 China Construction Bank Corp.	237	2.84
41,900 China Merchants Bank Co. Ltd. 'A' Shares	223	2.68
12,500 China Merchants Bank Co. Ltd. 'H' Shares	62	0.74
54,900 Industrial & Commercial Bank of China Ltd. 'A' Shares	48	0.58
137,000 Industrial & Commercial Bank of China Ltd. 'H' Shares	82	0.98
54,100 Ping An Bank Co. Ltd.	94	1.13
<b>Capital markets</b>		
39,200 China International Capital Corp. Ltd.	70	0.84
53,200 GF Securities Co. Ltd.	73	0.88
56,200 Huatai Securities Co. Ltd.	91	1.09
<b>Insurance</b>		
9,600 Ping An Insurance Group Co. of China Ltd. 'A' Shares	78	0.94
23,500 Ping An Insurance Group Co. of China Ltd. 'H' Shares	151	1.81
<b>Technology hardware, storage &amp; peripherals</b>		
31,200 Xiaomi Corp.	90	1.08
<b>Electronic equipment, instruments &amp; components</b>		
118,000 China Railway Signal & Communication Corp. Ltd.	50	0.60
21,200 GoerTek, Inc.	68	0.81
8,200 Wingtech Technology Co. Ltd.	38	0.46
<b>Semiconductors &amp; semiconductor equipment</b>		
24,300 Hangzhou First Applied Material Co. Ltd.	61	0.73
<b>Diversified telecommunication services</b>		
1,008,000 China Tower Corp. Ltd.	134	1.61
<b>Media</b>		
63,900 Focus Media Information Technology Co. Ltd.	64	0.77
<b>Entertainment</b>		
4,300 NetEase, Inc.	83	0.99
<b>Interactive media &amp; services</b>		
2,923 Autohome, Inc. ADR	96	1.15



# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 \$'000	as at 30.09.24 %
<b>Equities (continued)</b>		
<b>Interactive media &amp; services (continued)</b>		
4,950 Baidu, Inc.	67	0.81
13,700 Tencent Holdings Ltd.	784	9.40
<b>Independent power and renewable electricity producers</b>		
101,000 CGN Power Co. Ltd.	39	0.47
23,300 China Yangtze Power Co. Ltd.	100	1.20
<b>Real estate management &amp; development</b>		
10,049 KE Holdings, Inc. ADR	225	2.70
6,500 Sun Hung Kai Properties Ltd.	72	0.86
<b>Automobile Components</b>		
123,000 Nexteer Automotive Group Ltd.	53	0.64
<b>Broadline Retail</b>		
31,500 Alibaba Group Holding Ltd.	444	5.32
8,900 JD.com, Inc.	191	2.29
4,908 MINISO Group Holding Ltd. ADR	93	1.12
992 PDD Holdings, Inc. ADR	140	1.68
<b>Consumer Staples Distribution &amp; Retail</b>		
391,500 Sun Art Retail Group Ltd.	92	1.10
<b>Financial Services</b>		
80,000 Far East Horizon Ltd.	58	0.69
<b>Ground Transportation</b>		
116,000 Beijing-Shanghai High Speed Railway Co. Ltd.	99	1.19
<b>Marine Transportation</b>		
14,900 COSCO SHIPPING Holdings Co. Ltd.	33	0.40
388,000 Pacific Basin Shipping Ltd.	123	1.47
<b>Total portfolio</b>	<b>8,219</b>	<b>98.56</b>
<b>Net other assets/(liabilities)</b>	<b>120</b>	<b>1.44</b>
<b>Net assets attributable to shareholders</b>	<b>8,339</b>	<b>100.00</b>

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

# Portfolio statement

## Top ten portfolio transactions for the period to 30 September 2024

Largest purchases	\$'000
Tencent Holdings Ltd.	642
Alibaba Group Holding Ltd.	309
China Construction Bank Corp.	217
Kweichow Moutai Co. Ltd.	208
China Merchants Bank Co. Ltd. 'A' Shares	187
Jiangsu Zhongtian Technology Co. Ltd.	176
Contemporary Amperex Technology Co. Ltd.	145
KE Holdings, Inc. ADR	140
JD.com, Inc.	139
BYD Co. Ltd. 'A' Shares	131
Other purchases	4,546
<b>Total purchases</b>	<b>6,840</b>

Largest sales	\$'000
Hans Laser Technology Co. Ltd.	43
Midea Group Co. Ltd. 'A' Shares	33
Zai Lab Ltd. ADR	23
JD.com, Inc.	22
Anhui Conch Cement Co. Ltd.	20
Tencent Holdings Ltd.	19
CGN Power Co. Ltd.	19
Shanghai Hanbell Precise Machinery Co. Ltd.	19
Longi Green EnergyTechnology Co. Ltd.	16
CRRC Corp. Ltd.	14
Other sales	38
<b>Total sales</b>	<b>266</b>

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](http://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 'Comparative tables' for the share class launch dates.

## Comparative tables

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

# Financial highlights

## Sterling Class 'A' Income shares

The share class was launched on 29 July 2024.

	30.09.24
Closing NAV (\$'000)	17
Number of shares	10,516
Closing NAV per share (UK p)	120.26
Operating charges (%)	1.10

## Sterling Class 'I' Income shares

The share class was launched on 29 July 2024.

	30.09.24
Closing NAV (\$'000)	21
Number of shares	13,097
Closing NAV per share (UK p)	120.37
Operating charges (%)	0.70

## Sterling Class 'L' Income shares

The share class was launched on 29 July 2024.

	30.09.24
Closing NAV (\$'000)	16
Number of shares	10,045
Closing NAV per share (UK p)	120.39
Operating charges (%)	0.50

## Sterling Class 'PP' Income shares

The share class was launched on 29 July 2024.

	30.09.24
Closing NAV (\$'000)	16
Number of shares	10,035
Closing NAV per share (UK p)	120.37
Operating charges (%)	0.60

## Sterling Class 'A' Accumulation shares

The share class was launched on 29 July 2024.

	30.09.24
Closing NAV (\$'000)	22
Number of shares	13,561
Closing NAV per share (UK p)	120.26
Operating charges (%)	1.10

## Sterling Class 'I' Accumulation shares

The share class was launched on 29 July 2024.

	30.09.24
Closing NAV (\$'000)	96
Number of shares	59,659
Closing NAV per share (UK p)	120.39
Operating charges (%)	0.70

## Sterling Class 'L' Accumulation shares

The share class was launched on 29 July 2024.

	30.09.24
Closing NAV (\$'000)	8,086
Number of shares	5,010,040
Closing NAV per share (UK p)	120.38
Operating charges (%)	0.50

## Sterling Class 'PP' Accumulation shares

The share class was launched on 29 July 2024.

	30.09.24
Closing NAV (\$'000)	16
Number of shares	10,030
Closing NAV per share (UK p)	120.37
Operating charges (%)	0.60

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 29 July 2024.

	30.09.24
Closing NAV (\$'000)	18
Number of shares	11,001
Closing NAV per share (UK p)	120.29
Operating charges (%)	0.95

## Sterling Class 'R' Accumulation shares

The share class was launched on 29 July 2024.

	30.09.24
Closing NAV (\$'000)	31
Number of shares	18,823
Closing NAV per share (UK p)	120.31
Operating charges (%)	0.95

# Financial statements and notes

## Financial statements

### Statement of total return

for the period to 30 September	2024	
	\$'000	\$'000
<b>Income</b>		
Net capital gains/(losses)		1,659
Revenue	47	
Expenses	(6)	
Interest payable and similar charges	0	
Net revenue/(expense) before taxation	41	
Taxation	(3)	
Net revenue/(expense) after taxation		38
<b>Total return before equalisation</b>		<b>1,697</b>
Equalisation		0
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>1,697</b>

### Statement of change in net assets attributable to shareholders

for the period to 30 September	2024	
	\$'000	\$'000
<b>Opening net assets attributable to shareholders</b>		<b>0</b>
Amounts received on issue of shares	6,627	
Amounts paid on cancellation of shares	0	
		6,627
Dilution adjustments		15
Change in net assets attributable to shareholders from investment activities (see above)		1,697
<b>Closing net assets attributable to shareholders</b>		<b>8,339</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at	30 September 2024
	\$'000
<b>Assets</b>	
<b>Fixed assets</b>	
Investments	8,219
<b>Current assets</b>	
Debtors	41
Cash and bank balances	15
Cash equivalents	73
<b>Total assets</b>	<b>8,348</b>
<b>Liabilities</b>	
<b>Creditors</b>	
Bank overdrafts	(7)
Other creditors	(2)
<b>Total liabilities</b>	<b>(9)</b>
<b>Net assets attributable to shareholders</b>	<b>8,339</b>

# Financial statements and notes

## Notes to the financial statements

### Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 5.

### 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.



# Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 6 June 2024 has been used.

## Investment objective

The fund has two aims:

- To provide a higher total return (the combination of capital growth and income), net of the ongoing charges figure, than the MSCI World Index over any five-year period; and
- To invest in companies that aim to deliver solutions to the challenge of climate change.

## Investment policy

At least 80% of the fund is invested in the equity securities and equity related securities of companies across any sector and market capitalisation that are domiciled, incorporated or listed in developed markets. The fund has a concentrated portfolio and usually holds fewer than 40 stocks.

All equity securities and equity related securities are subject to assessment and measurement of their ability to deliver solutions to the challenge of climate change and generate financial returns, which is conducted at a company level using M&G's proprietary impact assessment methodology. This assessment focuses on three criteria:

- Investment credentials: the quality and durability of the company's business model and its ability to produce sustainable economic returns;
- Intention: the company's purpose as evidenced by the alignment of its mission statement with its corporate actions and strategy; and
- Impact: the scale of the net climate impact and the company's progress towards addressing the challenge of climate change.

To assist this assessment process, investments which are considered to conflict with the fund's aim to invest in companies that aim to deliver solutions to climate change are excluded from the investment universe.

When considering the extraction of fossil fuels, the fund excludes companies that are involved in the extraction of thermal coal, oil, and gas and those that use and/or produce hydraulic fracking technologies. When considering power generation, the fund manager has the discretion to invest in companies with limited exposure to power generation from fossil fuels, but which are driving or significantly participating in the transition to a more sustainable economy. To determine whether a company meets this threshold, the fund manager examines the company's revenue from coal, oil, and gas, in addition to assessing their de-carbonisation commitments. To be considered for inclusion these companies must generate:

- Less than 25% of their revenue from oil and gas power generation, and
- Less than 10% of their revenue from coal based power generation.

In addition, the following are excluded:

- Companies that are assessed to be in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption;
- Companies involved in the production of tobacco, alcohol, adult entertainment, controversial weapons, nuclear power, the use of animal testing for non-medical purposes, and the provision of gambling services;
- Companies that derive more than 5% of their revenue from the manufacture of weapons or genetically modified crop production; and
- Companies that derive more than 10% of their revenue from the distribution of tobacco.

The impact assessment methodology is then used by the fund manager in determining which investments to make within the remaining investment universe.

Investments that no longer meet the above criteria for investment will be divested as per the ESG Policy and Process Document.

# Authorised Corporate Director's Report

The fund may also invest in the equity securities and equity related securities of companies that are domiciled, incorporated or listed in emerging markets. Such equity securities and equity related securities are also subject to the impact assessment methodology and exclusions above.

The fund may also invest indirectly via funds (including funds managed by M&G), and may invest in other transferable securities such as short dated bonds and money market instruments for liquidity management, cash, and near cash.

Derivatives may be used for efficient portfolio management and hedging.

## Investment approach

The fund is a concentrated portfolio of global stocks, investing over the long term in companies that are delivering solutions to the challenge of climate change alongside a financial return, using a disciplined stock selection process. Sustainability and impact considerations are fundamental in determining the fund's investment universe and assessing business models.

The fund invests in three categories of climate solution companies:

- 'Pioneers', whose solutions have a transformational effect on the challenge of climate change;
- 'Enablers', which provide the tools for others to deliver solutions to the challenge of climate change; and
- 'Leaders', which spearhead the development of climate change solutions within their industries.

Investing in these categories provides diversification across industries and maturity of business models. Risk within the fund's portfolio is further diversified by balancing investment in companies that have relatively predictable and stable earnings regardless of the state of the overall economy, with those more sensitive to the economic cycle.

The fund embraces the United Nations Sustainable Development Goals framework and invests in companies focused on the following areas: clean energy, green technology and the promotion of a Circular Economy.

The fund manager's engagement with the companies in which the fund invests is fundamental to the investment approach, with the aim of supporting and influencing their contribution to the development of climate change solutions.

Further information about the fund's ESG criteria including information on M&G's approach to impact investing can be found on the M&G website.

## Benchmark

MSCI World Index

The benchmark is a target for the fund's financial objective and is used to measure the fund's financial performance. The index has been chosen as the fund's benchmark as it best reflects the financial aspects of the fund's investment policy. The benchmark 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.

An annual impact report to provide an assessment of the fund's non-financial objective will be made available on the M&G website.

# Authorised Corporate Director's Report

## Risk profile

For details of the risks associated with this fund, please refer to the Prospectus.

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.

## Investment review

For the six months ended 30 September 2024

### Performance against objective

Between 1 April 2024 (the start of the review period) and 30 September 2024, the M&G Climate Solutions Fund delivered a negative total return (the combination of income and growth of capital) across all of its sterling share classes, and underperformed its benchmark, the MSCI World Index, which returned 3.1% over the same period under review.

The fund was launched in November 2020, and thus cannot yet be measured on its performance objective to provide a higher total return (the combination of capital growth and income), net of the ongoing charges figure, than the MSCI World Index over any five-year period.

The fund's second objective is to invest in companies that deliver solutions to the challenge of climate change. To identify these companies, we apply a proprietary framework that consistently uses set criteria

and standards for rating the impact and investment case of these companies.

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

### Performance review

Global equities generally performed well in the six months under review. Markets were boosted by signs of easing inflation, excitement about artificial intelligence (AI), hopes of interest rate cuts and positive economic data. In September, a significant interest rate cut in the US and a substantial stimulus package in China buoyed markets.

However, the period was punctuated by market dips. In April, fears that interest rates might remain higher for longer and worries about tensions in the Middle East proved detrimental to markets. Global equities also underwent a period of turbulence in July and August. Though markets rose during these months, the so-called 'Magnificent Seven' mega-cap tech stocks suffered losses in July after earnings releases left investors underwhelmed. Furthermore, at the start of August, worries about an economic slowdown in the US and volatility in the Japanese yen (sparked by an increase in interest rates by the Bank of Japan) had negative ramifications for markets.

Stockpicking dented relative performance, especially in the technology and industrials sectors. The fund's above-benchmark position in industrials also had a negative impact on relative returns. In contrast, stockpicking in consumer discretionary enhanced relative performance, as did the fund's above-benchmark position in utilities.

Key detractors from relative performance included Alfen and Horiba. In June, Alfen lowered its 2024 guidance, leading to a fall in its share price. The company, which supplies energy storage systems and electric vehicle infrastructure, cited delayed deals and a reduction in electric vehicle sales as reasons for the guidance cut.

# Authorised Corporate Director's Report

The top contributors to relative performance were Ceres Power and Brambles. The latter's share price rose in August after its fiscal-year 2024 numbers impressed investors.

## Investment activities

We closed our positions in fibre laser manufacturer IPG Photonics and thermal energy management and fluid technology solutions company Spirax (previously Spirax-Sarco Engineering). We also opened positions in energy business National Grid and e-commerce enablement platform Inpost.

## ESG engagements

We engaged with SolarEdge Technologies to ensure that it was paying due attention to forced labour risk, particularly in relation to the solar panels it sources from China. SolarEdge Technologies stated that it only provides a small number of solar panels to customers. It confirmed that the Chinese solar panel providers it has used are not connected to Xinjiang, which is a key hub for forced labour in the country. SolarEdge Technologies also said that it is committed to taking the action necessary to prevent any connection between the company and human rights abuses in China.

We also met French energy management company Schneider Electric to discuss how it could generate further carbon savings for its customers. We proposed that it develop new key performance indicators to even better reflect its impact. We also talked about the company's climate targets and strategy.

Schneider Electric confirmed that it offers consulting services to help customers access renewable energy. Customers making use of the company's building solutions and other management systems can also track the energy they consume. We considered potential key performance indicators, with Schneider Electric highlighting two obvious metrics – impact revenue and emissions avoided (which is our current metric). The business is working through its Scope 3 emissions plan, targeting its top 1,000 suppliers. For example, it is embedding decarbonisation standards into contracts.

## Outlook

In accordance with the investor notification on 18 September, the fund will be closing on 28 November 2024 as it has not achieved the expected level of interest from investors and as a result has not attained the size required to make it commercially viable.

## Michael Rae

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 30.09.24 \$'000	as at 30.09.24 %	as at 31.03.24 %
<b>Equities</b>	<b>23,514</b>	<b>99.53</b>	<b>96.27</b>
<b>Chemicals</b>	<b>1,413</b>	<b>5.98</b>	<b>5.83</b>
2,949 Linde PLC	1,413	5.98	
<b>Containers &amp; packaging</b>	<b>1,641</b>	<b>6.95</b>	<b>7.87</b>
9,153 Ball Corp.	617	2.61	
22,077 Befesa SA	650	2.75	
60,946 DS Smith PLC	374	1.59	
<b>Building products</b>	<b>1,103</b>	<b>4.67</b>	<b>5.19</b>
6,291 Johnson Controls International PLC	486	2.06	
9,118 Trex Co., Inc.	617	2.61	
<b>Electrical equipment</b>	<b>2,756</b>	<b>11.66</b>	<b>10.36</b>
14,867 Alfen NV	215	0.91	
161,947 Ceres Power Holdings PLC	609	2.58	
4,681 Schneider Electric SE	1,243	5.26	
31,391 Vestas Wind Systems AS	689	2.91	
<b>Machinery</b>	<b>741</b>	<b>3.14</b>	<b>3.79</b>
17,100 Kurita Water Industries Ltd.	741	3.14	
<b>Commercial services &amp; supplies</b>	<b>2,495</b>	<b>10.56</b>	<b>11.88</b>
63,070 Brambles Ltd.	823	3.48	
6,324 Republic Services, Inc.	1,261	5.34	
28,062 TOMRA Systems ASA	411	1.74	
<b>Professional services</b>	<b>717</b>	<b>3.03</b>	<b>3.07</b>
10,370 Intertek Group PLC	717	3.03	
<b>Air freight &amp; logistics</b>	<b>770</b>	<b>3.26</b>	<b>0.00</b>
41,457 InPost SA	770	3.26	
<b>Speciality retail</b>	<b>408</b>	<b>1.73</b>	<b>2.11</b>
6,369 eBay, Inc.	408	1.73	
<b>Food products</b>	<b>304</b>	<b>1.29</b>	<b>1.98</b>
8,082 Darling Ingredients, Inc.	304	1.29	
<b>Software</b>	<b>2,655</b>	<b>11.24</b>	<b>10.02</b>
3,001 ANSYS, Inc.	973	4.12	
2,007 Autodesk, Inc.	550	2.33	
2,212 Synopsys, Inc.	1,132	4.79	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 \$'000	as at 30.09.24 %	as at 31.03.24 %
<b>Equities (continued)</b>			
<b>Electronic equipment, instruments &amp; components</b>			
12,300 Horiba Ltd.	812	3.43	
8,274 Trimble, Inc.	510	2.16	
<b>Semiconductors &amp; semiconductor equipment</b>			
19,096 Infineon Technologies AG	676	2.86	
4,999 ON Semiconductor Corp.	363	1.53	
6,651 SolarEdge Technologies, Inc.	153	0.65	
<b>Electric utilities</b>			
4,788 Elia Group SA	547	2.32	
12,720 Orsted AS	853	3.61	
8,490 Verbund AG	704	2.98	
<b>Multi-utilities</b>			
44,980 National Grid PLC	621	2.63	
<b>Water utilities</b>			
6,174 American Water Works Co., Inc.	894	3.78	
<b>Independent power and renewable electricity producers</b>			
34,018 EDP Renovaveis SA	594	2.52	
8,477 Enphase Energy, Inc.	967	4.09	
<b>Equity real estate investment trusts (REITs)</b>			
927 Equinix, Inc.	817	3.46	
<b>Total portfolio</b>	<b>23,514</b>	<b>99.53</b>	<b>96.27</b>
<b>Net other assets/(liabilities)</b>	<b>111</b>	<b>0.47</b>	<b>3.73</b>
<b>Net assets attributable to shareholders</b>	<b>23,625</b>	<b>100.00</b>	<b>100.00</b>

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

# Portfolio statement

Top ten portfolio transactions for the six months to  
30 September 2024

Largest purchases	\$'000
InPost SA	825
Synopsys, Inc.	614
Verbund AG	561
National Grid PLC	559
Horiba Ltd.	395
Infineon Technologies AG	384
Vestas Wind Systems AS	224
Orsted AS	204
Brambles Ltd.	163
Alfen NV	151
Other purchases	1,061
<b>Total purchases</b>	<b>5,141</b>

Largest sales	\$'000
ON Semiconductor Corp.	788
TOMRA Systems ASA	526
Republic Services, Inc.	465
Equinix, Inc.	431
Infineon Technologies AG	396
Verbund AG	333
Trimble, Inc.	312
Linde PLC	288
Befesa SA	272
Elia Group SA	269
Other sales	3,329
<b>Total sales</b>	<b>7,409</b>

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](http://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. Please refer to 'Comparative tables' for the share class launch dates.

Share class	Six months % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	-6.1	-3.7	n/a	n/a
Class 'A' Accumulation	-6.1	-3.7	n/a	n/a
Class 'I' Income	-5.9	-3.3	n/a	n/a
Class 'I' Accumulation	-5.9	-3.3	n/a	n/a
Class 'PP' Income	-5.9	-3.2	n/a	n/a
Class 'PP' Accumulation	-5.9	-3.2	n/a	n/a
Class 'R' Income	-6.0	-3.5	n/a	n/a
Class 'R' Accumulation	-6.0	-3.5	n/a	n/a
Class 'Z' Accumulation	-5.6	-2.6	n/a	n/a
<b>Benchmark</b>	<b>+3.1</b>	<b>+9.8</b>	<b>n/a</b>	<b>n/a</b>

<sup>a</sup> Not annualised.

## Comparative tables

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



# Financial highlights

## Sterling Class 'A' Income shares

The share class was launched on 5 November 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	1,390	1,894	2,100
Number of shares	1,037,225	1,407,366	1,579,336
Closing NAV per share (UK p)	99.92	106.69	107.43
Operating charges (%)	1.14	1.17	1.14

## Sterling Class 'I' Income shares

The share class was launched on 5 November 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	473	749	556
Number of shares	347,785	549,581	414,050
Closing NAV per share (UK p)	101.46	108.12	108.44
Operating charges (%)	0.74	0.77	0.74

## Sterling Class 'PP' Income shares

The share class was launched on 5 November 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	29	37	36
Number of shares	21,047	26,662	26,662
Closing NAV per share (UK p)	101.88	108.51	108.72
Operating charges (%)	0.64	0.67	0.64

## Sterling Class 'R' Income shares

The share class was launched on 5 November 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	293	539	452
Number of shares	217,241	398,571	338,443
Closing NAV per share (UK p)	100.55	107.27	107.87
Operating charges (%)	0.99	1.02	0.99

## Sterling Class 'A' Accumulation shares

The share class was launched on 5 November 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	1,399	1,486	1,359
Number of shares	1,005,231	1,062,879	994,521
Closing NAV per share (UK p)	103.85	110.87	110.47
Operating charges (%)	1.14	1.17	1.14

## Sterling Class 'I' Accumulation shares

The share class was launched on 5 November 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	3,038	4,313	4,413
Number of shares	2,148,014	3,042,623	3,196,536
Closing NAV per share (UK p)	105.49	112.40	111.56
Operating charges (%)	0.74	0.77	0.74

## Sterling Class 'PP' Accumulation shares

The share class was launched on 5 November 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	213	278	61
Number of shares	150,447	195,226	43,981
Closing NAV per share (UK p)	105.87	112.75	111.80
Operating charges (%)	0.64	0.67	0.64

## Sterling Class 'R' Accumulation shares

The share class was launched on 5 November 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	2,275	3,260	3,436
Number of shares	1,624,310	2,319,580	2,504,314
Closing NAV per share (UK p)	104.46	111.44	110.87
Operating charges (%)	0.99	1.02	0.99

# Financial highlights

## Sterling Class 'Z' Accumulation shares

The share class was launched on 5 November 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	14,515	14,519	14,043
Number of shares	10,000,000	10,012,080	10,012,080
Closing NAV per share (UK p)	108.27	114.97	113.34
Operating charges (%)	0.04	0.07	0.04

# Financial statements and notes

## Financial statements

### Statement of total return

for the six months to 30 September	2024		2023	
	\$'000	\$'000	\$'000	\$'000
<b>Income</b>				
Net capital gains/(losses)		(284)		(2,811)
Revenue	236		204	
Expenses	(51)		(55)	
Interest payable and similar charges	0		0	
Net revenue/(expense) before taxation	185		149	
Taxation	(14)		(12)	
Net revenue/(expense) after taxation		171		137
<b>Total return before equalisation</b>		<b>(113)</b>		<b>(2,674)</b>
Equalisation		(16)		0
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(129)</b>		<b>(2,674)</b>

### Statement of change in net assets attributable to shareholders

for the six months to 30 September	2024		2023	
	\$'000	\$'000	\$'000	\$'000
<b>Opening net assets attributable to shareholders</b>		<b>27,075</b>		<b>26,456</b>
Amounts received on issue of shares	227		553	
Amounts paid on cancellation of shares	(3,551)		(371)	
		(3,324)		182
Dilution adjustments		3		0
Change in net assets attributable to shareholders from investment activities (see above)		(129)		(2,674)
<b>Closing net assets attributable to shareholders</b>		<b>23,625</b>		<b>23,964</b>

The opening net assets attributable to shareholders for 2024 differs to the closing position in 2023 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

# Financial statements and notes

## Financial statements

### Balance sheet

as at	30 September 2024 \$'000	31 March 2024 \$'000
<b>Assets</b>		
<b>Fixed assets</b>		
Investments	0	26,064
<b>Current assets</b>		
Investments	23,514	0
Debtors	718	55
Cash and bank balances	197	1,065
Cash equivalents	394	0
<b>Total assets</b>	<b>24,823</b>	<b>27,184</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Distribution payable	0	(35)
Other creditors	(1,198)	(74)
<b>Total liabilities</b>	<b>(1,198)</b>	<b>(109)</b>
<b>Net assets attributable to shareholders</b>	<b>23,625</b>	<b>27,075</b>

# Financial statements and notes

## Notes to the financial statements

### Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 5.

### 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.

# Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 6 June 2024 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

The fund invests at least 80% of its net asset value in the equity securities and equity related instruments of companies across any sector and market capitalisation that are domiciled, incorporated, or listed in any country, including emerging markets.

The fund may also invest in collective investment schemes, other transferable securities and may hold cash and near cash for liquidity purposes.

Derivatives may be used for efficient portfolio management and hedging.

## Investment approach

The fund manager looks for opportunities where Artificial Intelligence (AI) is emerging as a potential driver to long term revenue growth or profit margin expansion. The fund manager will look for innovations through provision or adoption of Artificial Intelligence which it expects will cause changes in the way existing markets or businesses operate as further categorised below.

From the fund's investment universe, the fund manager identifies investment opportunities in the following three categories:

- Artificial Intelligence Enablers – companies providing key underlying Artificial Intelligence services and products (including technology) to Artificial Intelligence Providers enabling them to provide Artificial Intelligence services;
- Artificial Intelligence Providers – companies providing Artificial Intelligence services and products to end users such as consumers or Artificial Intelligence Beneficiaries;
- Artificial Intelligence Beneficiaries – companies that are receiving meaningful benefit from their use of Artificial Intelligence that is expected to drive valuations over the long-term.

In each case, this is in the opinion of the fund manager.

The fund may allocate to these three categories in any proportions but does not typically expect to hold more than 50% of its net asset value in any one category.

In this context, Artificial Intelligence refers to the development or use by a business of computer systems that perform tasks previously requiring human intelligence such as decision-making or audio or visual identification or perception.

The investment approach combines research and financial analysis of individual companies. The fund manager seeks to identify well-managed companies whose long-term prospects are not fully appreciated by the stock market. The fund manager's engagement with technical experts and executive management is a key part of the investment approach. For clarity, given the reference to Artificial Intelligence in the fund's name, the fund is actively managed by human decision-takers.

## 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.

# Authorised Corporate Director's Report

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.

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.

## Investment review

For the six months ended 30 September 2024

The fund was launched on 17 October 2023. As the fund was launched less than a year ago, there is insufficient data to show one year of performance.

### Performance review

Up until mid-July, we saw a continuation of the strong performance of technology shares that we witnessed in 2023 and the first half of 2024. However, the summer proved to be a volatile period in the technology space.

It appears that after the strong run, investors became skittish and started questioning the return on investment (ROI) from all the hundreds of billions of dollars the largest technology companies (the so-called

'hyperscalers') had spent on infrastructure. Then recession fears started to creep in, resulting in a very low margin for error for the technology companies heading into the third-quarter earnings season. Despite a relatively solid reporting season in technology, the weakening sentiment resulted in a large sell-off starting in early/mid-July through early September.

However, despite the volatility in share prices, overall technology shares ended the six-month review period ahead of the broader market.

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

### Investment activities

We look for opportunities where artificial intelligence (AI) is emerging as a potential driver to long-term revenue growth or profit margin expansion. We select companies, which in our opinion, fall into the three categories of AI Enablers, AI Providers, and AI Beneficiaries.

AI Enablers are companies we classify as providing key underlying AI technology enabling AI services. In this category, the fund holds Taiwan Semiconductor Manufacturing (TSMC), which is the world's largest dedicated semiconductor manufacturer. TSMC manufactures the chips, which are key to enable AI applications and has a dominant and growing market share and is very profitable.

AI Providers are companies we believe provide AI services and products to end users. We hold Motorola Solutions, which is a leading company in public safety and enterprise security and is a provider of land mobile radio communications, video security and software solutions. The company has strong growth potential and we believe there is little disruption risk to its business from competitors. Margins are good and are expanding thanks to an improving sales mix. Motorola Solutions has had a successful acquisition strategy which has driven incremental growth.

# Authorised Corporate Director's Report

AI Beneficiaries are companies we believe are receiving meaningful benefit from their use of AI that is expected to drive valuations over the long term. Financial services company Visa uses AI in three areas: fraud detection, enhanced security to predict potential network vulnerabilities and improved customer experience. Visa enjoys a dominant market share in payment processing and merchant services. Its business benefits from a high level of recurring revenues, high margins, low capital expenditure and high free cashflow.

## Outlook

We believe the recent correction in AI-related technology shares is a buying opportunity.

Firstly, we think the ROI concerns (lack of monetisation) on AI investments are overblown. In our view, we are too early in the AI cycle to make any meaningful assessment on this. We would compare this to the smartphone cycle in its early days before the app store ever appeared. We would also note what the leading technology leaders have said on this subject. Elon Musk recently mentioned that the rate of improvement in AI is the 'fastest of any technology I've ever seen by far', which he believes justifies the spending. This was echoed by Oracle's CEO Larry Ellison.

Secondly, we believe the AI theme is largely 'macro agnostic' as the hyperscalers have hundreds of billions of dollars in cash and have the ability to invest through economic cycles. In our view, it would take a severe recession to cause these large hyperscalers to adjust their plans.

Finally, we see the growth in AI, not as optional, but in many ways existential. This was echoed on the recent third-quarter earnings calls by many of the large hyperscalers. These large hyperscaler companies will invest in AI infrastructure regardless of the onset of a recession or not. The fact that AI models are getting exponentially larger, means that the compute power and cooling required to run these models will likely grow a thousand fold every couple of years. This may very well precipitate the most intense competition in technology that we have ever seen. What's more, this is just the first phase of growth.

Beyond this, we have enterprise adoption, which will see large frontier models with trillions of parameters, trained on tens of thousands of GPUs (Graphics Processing Units), replaced with custom-trained models, trained for specific applications. For these reasons, we believe there is so much growth ahead of us, which gives us confidence that the recent market correction presents a very compelling investment opportunity for our strategy.

## Jeffrey Lin

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 30.09.24 \$'000	as at 30.09.24 %	as at 31.03.24 %
<b>Equities</b>	<b>33,189</b>	<b>95.69</b>	<b>96.57</b>
<b>United Kingdom</b>	<b>1,463</b>	<b>4.22</b>	<b>2.92</b>
2,856 AstraZeneca PLC	446	1.29	
47,824 BP PLC	250	0.72	
2,049 London Stock Exchange Group PLC	281	0.81	
16,618 Weir Group PLC	486	1.40	
<b>Denmark</b>	<b>382</b>	<b>1.10</b>	<b>1.54</b>
3,226 Novo Nordisk AS	382	1.10	
<b>Germany</b>	<b>1,350</b>	<b>3.89</b>	<b>2.83</b>
2,454 SAP SE	566	1.63	
2,608 Siemens AG	530	1.53	
4,237 Siemens Healthineers AG	254	0.73	
<b>Ireland</b>	<b>289</b>	<b>0.83</b>	<b>0.00</b>
828 Accenture PLC	289	0.83	
<b>Netherlands</b>	<b>573</b>	<b>1.65</b>	<b>1.28</b>
336 ASML Holding NV	283	0.81	
1,188 NXP Semiconductors NV	290	0.84	
<b>Sweden</b>	<b>303</b>	<b>0.87</b>	<b>0.86</b>
14,034 Epiroc AB	303	0.87	
<b>United States</b>	<b>25,234</b>	<b>72.75</b>	<b>71.91</b>
1,276 Adobe, Inc.	656	1.89	
5,296 Alphabet, Inc.	867	2.50	
2,779 Amazon.com, Inc.	520	1.50	
1,007 Amgen, Inc.	326	0.94	
1,521 Analog Devices, Inc.	348	1.00	
6,937 Apple, Inc.	1,593	4.59	
1,925 Applied Materials, Inc.	391	1.13	
1,165 Arista Networks, Inc.	442	1.27	
3,164 Axon Enterprise, Inc.	1,249	3.60	
3,259 Boston Scientific Corp.	272	0.78	
3,400 Broadcom, Inc.	579	1.67	
1,362 Caterpillar, Inc.	534	1.54	
11,517 Cisco Systems, Inc.	610	1.76	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 \$'000	as at 30.09.24 %	as at 31.03.24 %
<b>Equities (continued)</b>			
<b>United States (continued)</b>			
994 Deere & Co.	415	1.20	
964 Elevance Health, Inc.	505	1.46	
2,858 Emerson Electric Co.	312	0.90	
6,502 Exxon Mobil Corp.	752	2.17	
1,151 Honeywell International, Inc.	239	0.69	
681 Intuit, Inc.	421	1.21	
1,042 Intuitive Surgical, Inc.	499	1.44	
2,747 JPMorgan Chase & Co.	574	1.65	
432 Lam Research Corp.	355	1.02	
2,294 Meta Platforms, Inc.	1,299	3.75	
3,981 Micron Technology, Inc.	422	1.22	
2,584 Microsoft Corp.	1,104	3.18	
5,142 Mobileye Global, Inc.	73	0.21	
2,122 Motorola Solutions, Inc.	947	2.73	
1,383 Netflix, Inc.	975	2.81	
13,405 NVIDIA Corp.	1,588	4.58	
2,259 Oracle Corp.	382	1.10	
1,408 Palo Alto Networks, Inc.	472	1.36	
2,689 PDD Holdings, Inc. ADR	379	1.09	
1,242 PepsiCo, Inc.	211	0.61	
1,118 Progressive Corp.	281	0.81	
1,614 QUALCOMM, Inc.	271	0.78	
1,472 Salesforce, Inc.	407	1.17	
982 ServiceNow, Inc.	866	2.50	
1,548 Snowflake, Inc.	176	0.51	
7,974 Teradata Corp.	242	0.70	
2,901 Tesla, Inc.	752	2.17	
1,701 Texas Instruments, Inc.	350	1.01	
487 UnitedHealth Group, Inc.	284	0.82	
2,521 Visa, Inc.	695	2.00	
7,509 Walmart, Inc.	599	1.73	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 \$'000	as at 30.09.24 %	as at 31.03.24 %
<b>Equities (continued)</b>			
<b>Japan</b>	<b>863</b>	<b>2.49</b>	<b>7.29</b>
435,300 Nippon Telegraph & Telephone Corp.	449	1.30	
2,300 Tokyo Electron Ltd.	414	1.19	
<b>Hong Kong</b>	<b>780</b>	<b>2.25</b>	<b>0.61</b>
43,900 Alibaba Group Holding Ltd.	620	1.79	
2,800 Tencent Holdings Ltd.	160	0.46	
<b>India</b>	<b>692</b>	<b>2.00</b>	<b>2.14</b>
10,701 Infosys Ltd. ADR	237	0.69	
6,531 Reliance Industries Ltd. GDR	455	1.31	
<b>South Korea</b>	<b>595</b>	<b>1.72</b>	<b>3.45</b>
6,866 Samsung Electronics Co. Ltd.	323	0.93	
2,039 SK Hynix, Inc.	272	0.79	
<b>Taiwan</b>	<b>665</b>	<b>1.92</b>	<b>1.74</b>
22,000 Taiwan Semiconductor Manufacturing Co. Ltd.	665	1.92	
<b>Total portfolio</b>	<b>33,189</b>	<b>95.69</b>	<b>96.57</b>
<b>Net other assets/(liabilities)</b>	<b>1,495</b>	<b>4.31</b>	<b>3.43</b>
<b>Net assets attributable to shareholders</b>	<b>34,684</b>	<b>100.00</b>	<b>100.00</b>

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

# Portfolio statement

Top ten portfolio transactions for the six months to  
30 September 2024

Largest purchases	\$'000
Netflix, Inc.	535
Axon Enterprise, Inc.	533
Apple, Inc.	365
Alibaba Group Holding Ltd.	335
Amgen, Inc.	333
Emerson Electric Co.	331
Exxon Mobil Corp.	313
Texas Instruments, Inc.	310
Analog Devices, Inc.	309
NXP Semiconductors NV	308
Other purchases	1,975
<b>Total purchases</b>	<b>5,647</b>

Largest sales	\$'000
Sony Group Corp.	526
Toyota Motor Corp.	428
Comcast Corp.	412
NVIDIA Corp.	404
SK Hynix, Inc.	402
Workday, Inc.	399
Micron Technology, Inc.	379
Intel Corp.	305
Axon Enterprise, Inc.	224
ON Semiconductor Corp.	195
Other sales	1,131
<b>Total sales</b>	<b>4,805</b>

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](https://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 'Comparative tables' for the share class launch dates.

## Comparative tables

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

# Financial highlights

## Sterling Class 'A' Income shares

The share class was launched on 17 October 2023.

	30.09.24	31.03.24
Closing NAV (\$'000)	13	29
Number of shares	8,000	20,030
Closing NAV per share (UK p)	118.49	115.98
Operating charges (%)	1.10	1.10

## Sterling Class 'I' Income shares

The share class was launched on 17 October 2023.

	30.09.24	31.03.24
Closing NAV (\$'000)	173	29
Number of shares	108,452	20,010
Closing NAV per share (UK p)	118.93	116.19
Operating charges (%)	0.70	0.70

## Sterling Class 'L' Income shares

The share class was launched on 17 October 2023.

	30.09.24	31.03.24
Closing NAV (\$'000)	13	30
Number of shares	8,000	20,000
Closing NAV per share (UK p)	119.17	116.29
Operating charges (%)	0.50	0.50

## Sterling Class 'R' Income shares

The share class was launched on 17 October 2023.

	30.09.24	31.03.24
Closing NAV (\$'000)	56	42
Number of shares	35,445	28,908
Closing NAV per share (UK p)	118.65	116.05
Operating charges (%)	0.95	0.95

## Sterling Class 'A' Accumulation shares

The share class was launched on 17 October 2023.

	30.09.24	31.03.24
Closing NAV (\$'000)	109	123
Number of shares	68,158	83,508
Closing NAV per share (UK p)	118.99	116.47
Operating charges (%)	1.10	1.10

## Sterling Class 'I' Accumulation shares

The share class was launched on 17 October 2023.

	30.09.24	31.03.24
Closing NAV (\$'000)	1,368	713
Number of shares	854,235	484,147
Closing NAV per share (UK p)	119.45	116.69
Operating charges (%)	0.70	0.70

## Sterling Class 'L' Accumulation shares

The share class was launched on 17 October 2023.

	30.09.24	31.03.24
Closing NAV (\$'000)	32,087	29,466
Number of shares	20,000,000	20,005,000
Closing NAV per share (UK p)	119.67	116.78
Operating charges (%)	0.50	0.50

## Sterling Class 'R' Accumulation shares

The share class was launched on 17 October 2023.

	30.09.24	31.03.24
Closing NAV (\$'000)	865	247
Number of shares	541,604	168,129
Closing NAV per share (UK p)	119.16	116.57
Operating charges (%)	0.95	0.95

# Financial statements and notes

## Financial statements

### Statement of total return

for the six months to 30 September	2024	
	\$'000	\$'000
<b>Income</b>		
Net capital gains/(losses)		2,730
Revenue	195	
Expenses	(85)	
Interest payable and similar charges	0	
Net revenue/(expense) before taxation	110	
Taxation	(21)	
Net revenue/(expense) after taxation		89
<b>Total return before equalisation</b>		<b>2,819</b>
Equalisation		0
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>2,819</b>

### Statement of change in net assets attributable to shareholders

for the six months to 30 September	2024	
	\$'000	\$'000
<b>Opening net assets attributable to shareholders</b>		<b>30,679</b>
Amounts received on issue of shares	1,763	
Amounts paid on cancellation of shares	(577)	
		1,186
Change in net assets attributable to shareholders from investment activities (see above)		2,819
<b>Closing net assets attributable to shareholders</b>		<b>34,684</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at	30 September 2024 \$'000	31 March 2024 \$'000
<b>Assets</b>		
<b>Fixed assets</b>		
Investments	33,189	29,628
<b>Current assets</b>		
Debtors	82	61
Cash and bank balances	74	90
Cash equivalents	1,385	905
<b>Total assets</b>	<b>34,730</b>	<b>30,684</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Distribution payable	0	(1)
Other creditors	(46)	(4)
<b>Total liabilities</b>	<b>(46)</b>	<b>(5)</b>
<b>Net assets attributable to shareholders</b>	<b>34,684</b>	<b>30,679</b>



# Financial statements and notes

## Notes to the financial statements

### Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 5.

### 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.

# Authorised Corporate Director's Report

The M&G Global Enhanced Equity Premia Fund closed on 8 August 2023. As at the date of publication of this report, no termination date has been set for the fund. The investment objective, investment policy, investment approach, benchmark, risk profile and investment review have not been disclosed.

# Portfolio statement

## Investments

Holding	as at 30.09.24 \$'000	as at 30.09.24 %	as at 31.03.24 %
<b>Equities</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Russia<sup>a</sup></b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
8,190,600 Inter RAO UES PJSC	0	0.00	
14,647 PhosAgro PJSC	0	0.00	
10,559 Severstal PAO	0	0.00	
<b>Total portfolio</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Net other assets/(liabilities)</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Net assets attributable to shareholders</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>

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

<sup>a</sup> M&G's Valuation Sub Committee are valuing these securities at £nil until further notice

# Portfolio statement

Top portfolio transactions for the six months to  
30 September 2024

Purchases	\$'000
<b>Total purchases</b>	<b>0</b>

Sales	\$'000
PhosAgro PJSC	3
PhosAgro PJSC GDR	0
<b>Total sales</b>	<b>3</b>

## Financial highlights

The M&G Global Enhanced Equity Premia Fund closed on 8 August 2023. As at the date of publication of this report, no termination date has been set for the fund. The fund performance, long-term performance by share class and comparative tables have not been disclosed.

# Financial statements and notes

## Financial statements

### Statement of total return

for the six months to 30 September	2024		2023	
	\$'000	\$'000	\$'000	\$'000
<b>Income</b>				
Net capital gains/(losses)		(8)		3,247
Revenue	2		1,155	
Expenses	0		0	
Interest payable and similar charges	0		0	
Net revenue/(expense) before taxation	2		1,155	
Taxation	0		(114)	
Net revenue/(expense) after taxation		2		1,041
<b>Total return before equalisation</b>		<b>(6)</b>		<b>4,288</b>
Equalisation		0		(866)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(6)</b>		<b>3,422</b>

### Statement of change in net assets attributable to shareholders

for the six months to 30 September	2024		2023	
	\$'000	\$'000	\$'000	\$'000
<b>Opening net assets attributable to shareholders</b>		<b>0</b>		<b>57,304</b>
Amount due to investors	(3)		0	
Movement in the amount (due to)/from M&G Securities Limited	9		0	
Amounts paid on cancellation of shares	0		(60,786)	
		6		(60,786)
Dilution adjustments		0		60
Change in net assets attributable to shareholders from investment activities (see above)		(6)		3,422
<b>Closing net assets attributable to shareholders</b>		<b>0</b>		<b>0</b>

The fund closed on 8 August 2023.

# Financial statements and notes

## Financial statements

### Balance sheet

as at	30 September 2024 \$'000	31 March 2024 \$'000
<b>Assets</b>		
<b>Fixed assets</b>		
Investments	0	0
<b>Current assets</b>		
Debtors	44	52
Cash and bank balances	128	126
<b>Total assets</b>	<b>172</b>	<b>178</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Other creditors	(172)	(178)
<b>Total liabilities</b>	<b>(172)</b>	<b>(178)</b>
<b>Net assets attributable to shareholders</b>	<b>0</b>	<b>0</b>

The fund closed on 8 August 2023.

# Financial statements and notes

## Notes to the financial statements

### Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 5.



# Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 6 June 2024 has been used.

## Investment objective

The fund has two aims:

- To deliver a higher total return (the combination of income and growth of capital), net of the ongoing charges figure, than that of the MSCI ACWI Index over any five-year period and;
- To deliver an income stream that increases every year in sterling terms.

## Investment policy

At least 80% of the fund is invested in publicly-listed equity securities issued by infrastructure companies, investment trusts and real estate investment trusts across any market capitalisation that are domiciled in any country. The minimum 80% allocation may include ordinary shares, preference shares and convertible bonds (the fund may hold up to a maximum of 20% in convertibles bonds). Infrastructure companies include those involved in the following business activities: utilities, energy, transport, health, education, security, communications and transactions. The fund is expected to exhibit lower volatility and offer a higher dividend yield than the MSCI ACWI Index which is consistent with the characteristics of infrastructure securities. The fund usually holds fewer than 50 companies.

The fund manager seeks to invest in companies with excellent capital discipline and the potential for long-term dividend growth. The fund manager believes rising dividends create upward pressure on the value of shares.

Sustainability considerations play an important role in assessing business models. Companies that derive more than 30% of their revenue from coal-fired and nuclear power are excluded from the investment universe. Industries including tobacco, alcohol, adult entertainment, gambling, and controversial weapons

are also excluded. United Nations Global Compact principles on human rights, labour, environmental and anti-corruption are also considered in the analysis of companies.

The fund may also invest in collective investment schemes, other transferable securities, cash, near cash, other money market securities and warrants. Derivatives may be used for hedging and efficient portfolio management.

## Investment approach

The fund employs a bottom-up stock picking approach, driven by the fundamental analysis of individual companies. Dividend yield is not the primary consideration for stock selection.

The fund manager aims to create a portfolio with exposure to a broad range of countries and sectors. Stocks with different drivers of dividend growth are selected to construct a portfolio that has the potential to cope in a variety of market conditions.

Sustainability considerations encompassing Environmental, Social and Governance issues are fully integrated into the investment process with a focus on risks specific to infrastructure companies. The monitoring of these risks involves regular engagement with company management.

## 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.

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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.

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.

## Investment review

For the six months ended 30 September 2024

### Distribution summary

Over the six-month review period to 30 September 2024, the fund distributed income of 2.81 pence per Sterling Class 'A' Income share. This is 5.2% higher than the distribution for the same period in the previous financial year.

Against this backdrop, the fund benefited from higher dividends across the full spectrum of listed infrastructure.

In the fund's 'economic' infrastructure category, we believe the wider market is starting to recognise that the utilities sector stands to benefit from energy

transition and decarbonisation projects which are occurring around the world. National Grid retained its payout but rebased down the dividend per share to adjust for its investment programme. The investment story has tilted slightly more towards growth than yield but following on from the rebase the company is still committed to a progressive dividend policy.

Hicl Infrastructure is returning to dividend growth which reflects the board's confidence in their future distributable cash flow and long-term earnings profile.

The fund's 'social' infrastructure category also provided a source of reliable dividends. International Public Partnerships (INPP), a UK listed unit trust, recently raised its dividend by 5% and remains committed to dividend growth each year helped along by the inflation-linkage of the company's cash receipts. Alexandria Real Estate Equities continued its track record of raising its dividend by 2.5%.

TC Energy, the Canadian energy infrastructure operator, is embarking on an expansionary growth phase which requires capital investment; however, asset sales should enable them to continue to offer dividend growth in the targeted 3-5% range. TC Energy raised its dividend by 3% and Keyera raised its dividend by 4% after upbeat earnings. There were some other notable dividend announcements seen in the review period including Ferrovial's dividend, which rose by 8%. Transurban raised its dividend by 6%.

We remain vigilant about the dividend outlook and being selective will be paramount. We continue to believe that our holdings can collectively sustain dividend growth in the core 5-10% range over the long term and that the fund is well-placed to deliver on its objective of providing a rising income stream.

The fund's distribution is subject to a variety of influences, including changes in the market environment, movements in currency and any potential future changes in the fund's tax status. Consequently, there is no guarantee that the fund will increase the income stream in every reporting period.

# Authorised Corporate Director's Report

## Performance against objective

Between 1 April 2024 (the start of the review period) and 30 September 2024, the M&G Global Listed Infrastructure Fund delivered a positive total return (the combination of income and growth of capital) across all its share classes and outperformed its benchmark, the MSCI ACWI Index, which returned 3.5%. The fund was successful in meeting its objective over this short timeframe. The fund met its objective of outperforming the MSCI ACWI Index and on its income objective of increasing the income stream in sterling.

Over five years, the fund delivered positive total returns, albeit behind the MSCI ACWI Index, which returned 10.8%. Distributions increased in each financial year.

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

## Performance review

The global stock markets rose during the period, despite a sluggish start, with the US leading the way amongst developed markets.

The bullish momentum in equity markets persisted in the review period. Buoyed by strong corporate earnings and positive sentiment around the 'Magnificent Seven' group of mega-cap technology stocks, the US equity market shrugged off inflation concerns. In the UK, a weaker pound sterling and expectations around interest rate cuts boosted share prices in the first half of the review period. In contrast, European and Japanese equities lagged the wider global market. Emerging market equities rebounded, benefiting from economic growth and the conclusion of election results in major markets.

Despite bouts of volatility in the second half of the period fuelled by decelerating macroeconomic indicators, shifting global monetary policy expectations, and sharp movements in the Japanese yen, the equities market registered gains. US equities hit new highs following the US Federal Reserve's rate cut. Chinese equities rallied as the government introduced a substantial economic stimulus package. In contrast, the Bank of Japan's unexpected rate hike and the ruling

party's election of a new prime minister saw Japanese equities decline. Emerging market equities also advanced, rebounding from the previous quarter, benefiting from economic growth and the conclusion of election results in major markets.

Technology stocks maintained their dominance at the sector level during the first half of the review period, with communication services closely following suit. However, towards the end, there was a shift away from technology stocks, with utilities, industrials, and financials leading the way.

Against this backdrop, the fund outperformed the MSCI ACWI Index, with the utilities sector leading the contributors.

NextEra Energy, a leading US renewable energy company contributed positively as the market shifted its attention to the growing need for clean energy sources which are needed to power the electrification demands of a decarbonising economy and the evolution in digitisation.

TC Energy is part of the Oil & Gas industry, which is known for its high capital intensity and cyclical market changes. TC Energy's strategic positioning within this sector leverages its extensive infrastructure and operational efficiency, providing a competitive edge over its peers.

Enel was another contributor, in electricity, due to its robust hydroelectric production, as well as continued growth in the integrated business. US utility Edison International's shares hit an all-time high as the company reached a tentative agreement with state officials to recover losses from wildfires and mudslides in 2017-18.

A2A, another contributor in the utilities sector, witnessed its shares recouping all of its losses and it continued to see earnings upgrades from market analysts.

AES, one of the fund's top five holdings, has been performing strongly, in our view. The company says that half of its power provision is designed for major US

# Authorised Corporate Director's Report

technology companies. It continues to accelerate its progress towards being a full clean power producer by 2025.

On the other hand, the fund's underweight position in the tech 'monopolies' like Apple and NVIDIA detracted from relative performance.

Alexandria Real Estate Equities, the owner and operator of life science infrastructure, was also amongst the largest detractors, as the performance was influenced by industry challenges such as high levels of market supply and concessions, along with tenants' reluctance to commit to longer-term leases.

Vinci also detracted as new taxes in France dampened its profitable highway business, affecting the company's overall profit margins.

CSX Corporation's shares dropped, primarily due to supply chain disruptions and network-related issues, along with a spike in shipping costs across the globe.

## Investment activities

The fund is usually managed as a low turnover, buy-and-hold strategy. There were no new additions to the portfolio nor full divestments made during the review period. During the first half of the review period, capital continued to be tactically rotated between the portfolio categories. Also, holdings in 'Core' infrastructure, especially those in utilities, were increased with profits taken from transport and energy. The opportunistic efforts made earlier to add during weakness in sectors like utilities and Real Estate Investment Trusts (REITs) are now being rewarded. The investment team remain active in engaging with the management of existing holdings whilst also working hard to unearth fresh ideas.

## Outlook

We believe there has been a decisive shift in the market perception towards the prominent sectors represented in the fund, namely those historically perceived as interest rate sensitive, which has been beneficial for the fund.

Data from CBRE shows that Infrastructure as an asset class tends to offer positive relative returns versus

equities and bonds once the rate cycle turns. However, it is not just the macro support for the sector that is helping our companies. We believe the market is once again reappraising the critical nature of the services that infrastructure businesses provide. A topical example is Microsoft's partnership with BlackRock to secure power infrastructure for artificial intelligence (AI). This demonstrates an increased appreciation of the power requirements necessary for data centre development to facilitate the AI revolution as well as illustrating the extent of the investment needed.

Our companies continue to deliver healthy earnings growth and dividend increases over and above the long-run G7 rate of inflation. Indeed, the vast majority of our businesses have so far this year offered inflation-beating dividend growth.

## Alex Araujo

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 30.09.24 £'000	as at 30.09.24 %	as at 31.03.24 %
<b>Equities</b>	<b>472,048</b>	<b>99.16</b>	<b>99.13</b>
<b>United Kingdom</b>	<b>52,211</b>	<b>10.97</b>	<b>12.49</b>
12,726,934 Hicl Infrastructure PLC	16,749	3.52	
12,860,721 Home REIT PLC <sup>a</sup>	1,826	0.38	
1,387,087 National Grid PLC	14,273	3.00	
7,867,970 Sdcl Energy Efficiency Income Trust PLC	4,941	1.04	
829,051 Segro PLC	7,218	1.52	
765,569 UNITE Group PLC	7,204	1.51	
<b>Belgium</b>	<b>7,942</b>	<b>1.67</b>	<b>1.46</b>
93,280 Elia Group SA	7,942	1.67	
<b>France</b>	<b>23,242</b>	<b>4.88</b>	<b>4.86</b>
890,703 Getlink SE	11,776	2.47	
130,333 Vinci SA	11,466	2.41	
<b>Germany</b>	<b>9,583</b>	<b>2.01</b>	<b>1.98</b>
860,692 E.ON SE	9,583	2.01	
<b>Guernsey</b>	<b>16,813</b>	<b>3.53</b>	<b>3.43</b>
13,238,515 International Public Partnerships Ltd.	16,813	3.53	
<b>Italy</b>	<b>36,080</b>	<b>7.58</b>	<b>6.43</b>
4,241,384 A2A SpA	7,304	1.54	
2,398,890 Enel SpA	14,332	3.01	
1,568,898 Infrastrutture Wireless Italiane SpA	14,444	3.03	
<b>Spain</b>	<b>7,283</b>	<b>1.53</b>	<b>1.93</b>
225,818 Ferrovial SE	7,283	1.53	
<b>Switzerland</b>	<b>7,253</b>	<b>1.53</b>	<b>1.47</b>
39,976 Flughafen Zurich AG	7,253	1.53	
<b>United States</b>	<b>213,459</b>	<b>44.84</b>	<b>43.29</b>
1,309,649 AES Corp.	19,655	4.13	
206,741 Alexandria Real Estate Equities, Inc.	18,628	3.91	
81,733 American Tower Corp.	14,038	2.95	
86,907 American Water Works Co., Inc.	9,388	1.97	
48,041 Atmos Energy Corp.	4,936	1.04	
29,790 CME Group, Inc.	4,853	1.02	
217,982 Crown Castle, Inc.	18,941	3.98	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 £'000	as at 30.09.24 %	as at 31.03.24 %
<b>Equities (continued)</b>			
<b>United States (continued)</b>			
366,299 CSX Corp.	9,420	1.98	
187,233 Edison International	12,119	2.54	
21,791 Equinix, Inc.	14,317	3.01	
286,184 Eversource Energy	14,407	3.03	
466,721 Exelon Corp.	14,051	2.95	
13,356 Mastercard, Inc.	4,914	1.03	
612,503 NextEra Energy Partners LP	12,847	2.70	
195,118 NextEra Energy, Inc.	12,310	2.58	
140,509 ONEOK, Inc.	9,457	1.99	
32,221 Republic Services, Inc.	4,791	1.01	
153,196 Sempra	9,509	2.00	
23,707 Visa, Inc.	4,878	1.02	
<b>Canada</b>	<b>83,651</b>	<b>17.57</b>	<b>18.41</b>
396,923 Enbridge, Inc.	12,044	2.53	
164,156 Franco-Nevada Corp.	15,301	3.21	
1,123,911 Gibson Energy, Inc.	13,628	2.86	
515,819 Keyera Corp.	11,929	2.51	
932,430 PrairieSky Royalty Ltd.	14,054	2.95	
476,974 TC Energy Corp.	16,695	3.51	
<b>Australia</b>	<b>14,099</b>	<b>2.96</b>	<b>3.02</b>
2,084,250 Transurban Group	14,099	2.96	
<b>China</b>	<b>432</b>	<b>0.09</b>	<b>0.36</b>
4,683,638 Xinyi Energy Holdings Ltd.	432	0.09	
<b>Portfolio of investments</b>	<b>472,048</b>	<b>99.16</b>	<b>99.13</b>
<b>Share class hedging</b>	<b>57</b>	<b>0.01</b>	<b>0.00</b>
<b>Forward currency contracts for share class hedging</b>	<b>57</b>	<b>0.01</b>	<b>0.00</b>
AU\$234,407 Bought for £120,212 (expires 09.10.24)	1	0.00	
AU\$(435,230) Sold for £221,562 (expires 09.10.24)	(3)	0.00	
C\$908,905 Bought for £506,764 (expires 09.10.24)	(6)	0.00	
C\$(1,814,861) Sold for £1,023,133 (expires 09.10.24)	22	0.00	
CHF63,699 Bought for £57,214 (expires 09.10.24)	(1)	0.00	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 £'000	as at 30.09.24 %	as at 31.03.24 %
<b>Share class hedging (continued)</b>			
<b>Forward currency contracts for share class hedging (continued)</b>			
CHF(124,536) Sold for £112,366 (expires 09.10.24)	2	0.00	
DKK3,941 Bought for £445 (expires 09.10.24)	0	0.00	
DKK(8,014) Sold for £908 (expires 09.10.24)	0	0.00	
€774,994 Bought for £653,376 (expires 09.10.24)	(6)	0.00	
€(1,522,201) Sold for £1,285,848 (expires 09.10.24)	15	0.00	
HK\$156,585 Bought for £15,195 (expires 09.10.24)	0	0.00	
HK\$(216,762) Sold for £21,228 (expires 09.10.24)	0	0.00	
US\$284,638 Bought for £215,438 (expires 09.10.24)	(3)	0.00	
US\$(2,532,546) Sold for £1,924,838 (expires 09.10.24)	36	0.01	
<b>Total portfolio</b>	<b>472,105</b>	<b>99.17</b>	<b>99.13</b>
<b>Net other assets/(liabilities)</b>	<b>3,957</b>	<b>0.83</b>	<b>0.87</b>
<b>Net assets attributable to shareholders</b>	<b>476,062</b>	<b>100.00</b>	<b>100.00</b>

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

<sup>a</sup> Suspended/delisted.

# Portfolio statement

Top ten portfolio transactions for the six months to  
30 September 2024

Largest purchases	£'000
AES Corp.	8,408
Alexandria Real Estate Equities, Inc.	6,199
National Grid PLC	5,129
Franco-Nevada Corp.	4,510
PrairieSky Royalty Ltd.	4,284
Eversource Energy	3,929
NextEra Energy Partners LP	3,873
TC Energy Corp.	3,855
Vinci SA	3,777
Crown Castle, Inc.	3,746
Other purchases	44,839
<b>Total purchases</b>	<b>92,549</b>

Largest sales	£'000
Segro PLC	11,201
AES Corp.	9,123
Franco-Nevada Corp.	7,219
TC Energy Corp.	6,386
Alexandria Real Estate Equities, Inc.	5,613
Crown Castle, Inc.	5,578
PrairieSky Royalty Ltd.	5,513
American Tower Corp.	4,988
Sdcl Energy Efficiency Income Trust PLC	4,471
NextEra Energy, Inc.	4,409
Other sales	71,711
<b>Total sales</b>	<b>136,212</b>

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](http://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. Please refer to 'Comparative tables' for the share class launch dates.

Share class	Six months % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+5.8	+4.2	+4.5	n/a
Class 'A' Accumulation	+5.8	+4.2	+4.5	n/a
Class 'I' Income	+6.0	+4.7	+4.9	n/a
Class 'I' Accumulation	+6.0	+4.7	+4.9	n/a
Class 'I-H' Income	+10.1	+4.5	n/a	n/a
Class 'I-H' Accumulation	+10.5	+4.6	n/a	n/a
Class 'L' Income	+6.1	+4.9	+5.1	n/a
Class 'L' Accumulation	+6.1	+4.9	+5.1	n/a
Class 'PP' Income	+6.1	+4.8	+5.0	n/a
Class 'PP' Accumulation	+6.1	+4.8	+5.0	n/a
Class 'PP-H' Income	+10.4	+4.5	n/a	n/a
Class 'PP-H' Accumulation	+10.4	+4.6	n/a	n/a
<b>Benchmark</b>	<b>+3.5</b>	<b>+8.8</b>	<b>+10.8</b>	<b>n/a</b>

<sup>a</sup> Not annualised.

## Comparative tables

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

# Financial highlights

## Sterling Class 'A' Income shares

The share class was launched on 5 October 2017.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	867	948	1,063
Number of shares	666,656	747,716	813,556
Closing NAV per share (UK p)	129.99	126.85	130.71
Operating charges (%)	1.38	1.48	1.33

## Sterling Class 'I' Income shares

The share class was launched on 5 October 2017.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	53,315	52,204	57,287
Number of shares	40,134,052	40,353,691	43,143,202
Closing NAV per share (UK p)	132.84	129.37	132.78
Operating charges (%)	0.98	1.08	0.93

## Sterling Class 'I-H' Income shares

The share class was launched on 24 January 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	545	4,558	3,132
Number of shares	526,482	4,700,289	3,198,036
Closing NAV per share (UK p)	103.48	96.98	97.93
Operating charges (%)	1.01	1.11	0.96

## Sterling Class 'L' Income shares

The share class was launched on 5 October 2017.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	13,290	9,718	9,446
Number of shares	9,852,706	7,405,840	7,027,388
Closing NAV per share (UK p)	134.88	131.22	134.42
Operating charges (%)	0.78	0.88	0.73

## Sterling Class 'A' Accumulation shares

The share class was launched on 5 October 2017.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	2,317	2,440	2,027
Number of shares	1,407,254	1,552,252	1,299,273
Closing NAV per share (UK p)	164.66	157.16	155.97
Operating charges (%)	1.38	1.48	1.33

## Sterling Class 'I' Accumulation shares

The share class was launched on 5 October 2017.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	269,514	290,477	334,129
Number of shares	160,104,660	181,157,083	210,811,371
Closing NAV per share (UK p)	168.34	160.35	158.50
Operating charges (%)	0.98	1.08	0.93

## Sterling Class 'I-H' Accumulation shares

The share class was launched on 24 January 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	1,233	1,667	8,460
Number of shares	1,005,598	1,487,252	7,789,069
Closing NAV per share (UK p)	122.57	112.08	108.62
Operating charges (%)	1.01	1.11	0.96

## Sterling Class 'L' Accumulation shares

The share class was launched on 5 October 2017.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	39,878	36,140	47,249
Number of shares	23,325,477	22,215,646	29,441,190
Closing NAV per share (UK p)	170.96	162.68	160.49
Operating charges (%)	0.78	0.88	0.73

# Financial highlights

## Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	24,607	25,530	42,280
Number of shares	22,323,175	23,794,638	38,430,271
Closing NAV per share (UK p)	110.23	107.29	110.02
Operating charges (%)	0.88	0.98	0.83

## Sterling Class 'PP-H' Income shares

The share class was launched on 24 January 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	34	42	42
Number of shares	33,170	43,180	43,180
Closing NAV per share (UK p)	103.53	96.78	97.66
Operating charges (%)	0.91	1.01	0.86

## Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	68,712	80,231	88,518
Number of shares	46,245,247	56,716,734	63,368,854
Closing NAV per share (UK p)	148.58	141.46	139.69
Operating charges (%)	0.88	0.98	0.83

## Sterling Class 'PP-H' Accumulation shares

The share class was launched on 24 January 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	1,750	1,585	1,464
Number of shares	1,434,199	1,420,610	1,349,726
Closing NAV per share (UK p)	121.99	111.56	108.43
Operating charges (%)	0.91	1.01	0.86

# Financial statements and notes

## Financial statements

### Statement of total return

for the six months to 30 September	2024		2023	
	£'000	£'000	£'000	£'000
<b>Income</b>				
Net capital gains/(losses)		15,202		(52,662)
Revenue	11,973		13,474	
Expenses	(1,645)		(1,932)	
Interest payable and similar charges	0		0	
Net revenue/(expense) before taxation	10,328		11,542	
Taxation	(1,238)		(1,413)	
Net revenue/(expense) after taxation		9,090		10,129
<b>Total return before distributions</b>		<b>24,292</b>		<b>(42,533)</b>
Distributions		(9,447)		(10,558)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>14,845</b>		<b>(53,091)</b>

### Statement of change in net assets attributable to shareholders

for the six months to 30 September	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>505,540</b>		<b>595,097</b>
Amounts received on issue of shares	25,298		56,649	
Amounts paid on cancellation of shares	(76,855)		(59,306)	
		(51,557)		(2,657)
Dilution adjustments		68		101
Change in net assets attributable to shareholders from investment activities (see above)		14,845		(53,091)
Retained distributions on Accumulation shares		7,166		8,204
<b>Closing net assets attributable to shareholders</b>		<b>476,062</b>		<b>547,654</b>

The opening net assets attributable to shareholders for 2024 differs to the closing position in 2023 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

# Financial statements and notes

## Financial statements

### Balance sheet

as at	30 September 2024 £'000	31 March 2024 £'000
<b>Assets</b>		
<b>Fixed assets</b>		
Investments	472,124	501,146
<b>Current assets</b>		
Debtors	3,012	2,201
Cash and bank balances	1,426	3,426
Cash equivalents	2,456	1,552
<b>Total assets</b>	<b>479,018</b>	<b>508,325</b>
<b>Liabilities</b>		
Investment liabilities	(19)	(9)
<b>Creditors</b>		
Distribution payable	(906)	(783)
Other creditors	(2,031)	(1,993)
<b>Total liabilities</b>	<b>(2,956)</b>	<b>(2,785)</b>
<b>Net assets attributable to shareholders</b>	<b>476,062</b>	<b>505,540</b>

# Financial statements and notes

## Notes to the financial statements

### Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 5.

### 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.

# Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 6 June 2024 has been used.

## Investment objective

The fund has two aims:

- To provide a higher total return (the combination of capital growth and income), net of the ongoing charges figure, than the MSCI ACWI Index over any five-year period; and
- To invest in companies that aim to have a positive societal impact through addressing the world's major social and environmental challenges.

## Investment policy

At least 80% of the fund is invested in the equity securities of companies across any sector and market capitalisation that are domiciled in any country, including emerging markets. The fund has a concentrated portfolio and usually holds fewer than 40 stocks.

Assessment and measurement of the ability to deliver positive social and/or environmental impact and generate financial returns will be conducted at a company level using M&G's impact assessment methodology. This focuses on three criteria:

- Investment credentials: the quality and durability of the company's business model and its ability to produce sustainable economic returns;
- Intention: the company's purpose as evidenced by the alignment of its mission statement with its corporate actions and strategy; and
- Impact: the scale of the net positive societal impact and the company's progress towards addressing specified social and environmental challenges.

Certain investments which are considered by M&G to conflict with the fund's aim to invest in companies with a positive societal impact are excluded from the investment universe. The following are excluded:

- Companies that are assessed to be in breach of the United Nations Global Compact principles on human rights, labour rights, the environment and anti-corruption; and
- Companies involved in the production of tobacco, alcohol, adult entertainment, controversial weapons, oil sands, nuclear power or coal-fired power, or the provision of gambling services.

The fund manager has discretion to invest in companies with limited exposure to fossil fuels but which are driving or significantly participating in the transition to a more sustainable economy.

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

Derivatives may be used for efficient portfolio management and hedging.

## Investment approach

The fund is a concentrated portfolio of global stocks, investing over the long term in companies that make a positive social and/or environmental impact alongside a financial return, using a disciplined stock selection process. Sustainability and impact considerations are fundamental in determining the fund's investment universe and assessing business models. The fund embraces the United Nations Sustainable Development Goals framework and invests in companies focused on areas including climate action, pollution reduction, circular economy, health and wellbeing, education and innovation, and working conditions.

The fund invests in three categories of positive impact companies:

- 'Pioneers', whose products or services have a transformational effect on society or the environment;
- 'Enablers', which provide the tools for others to deliver positive social or environmental impact; and

# Authorised Corporate Director's Report

- 'Leaders', which spearhead the development of sustainability in their industries.

Investing in these categories provides diversification across industries and maturity of business models.

Dialogue with the companies in which the fund invests is fundamental to the investment approach. The objective is to support and influence their contribution to the world's major social and environmental challenges.

## 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 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.

An annual report is published to provide an assessment of the positive, societal and environmental impact of each holding in the fund.

## Risk profile

For details of the risks associated with this fund, please refer to the Prospectus.

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.

## Investment review

For the six months ended 30 September 2024

### Performance against objective

Between 1 April 2024 (the start of the review period) and 30 September 2024, the M&G Positive Impact Fund delivered a negative total return (the combination of income and growth of capital) across all of its sterling share classes, underperforming its benchmark, the MSCI ACWI Index, which returned 3.5% over the same period under review.

Over five years, the fund generated a positive annualised total return across all its share classes but underperformed its benchmark, which returned 10.8% pa over this period. The fund therefore did not meet its financial objective which is to provide a higher total return (capital growth and income), net of the ongoing charge figure, than that of the MSCI ACWI Index over any five-year period.



# Authorised Corporate Director's Report

The fund's second objective is to invest in companies that have a positive societal impact through addressing the world's major social and environmental challenges. Please see the fund's 2023 Annual Impact Report on the M&G website for more information on this. To identify these companies, we apply a proprietary framework that consistently uses set criteria and standards for rating the impact and investment case of these companies.

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

## Performance review

Global equities generally performed well in the six months under review. Markets were boosted by signs of easing inflation, excitement about artificial intelligence (AI), hopes of interest rate cuts and positive economic data. In September, a significant interest rate cut in the US and a substantial stimulus package in China buoyed markets.

However, the period was punctuated by market dips. In April, fears that interest rates might remain higher for longer and worries about tensions in the Middle East proved detrimental to markets. Global equities also underwent a period of turbulence in July and August. Though markets rose during these months, the so-called 'Magnificent Seven' mega-cap tech stocks suffered losses in July after earnings releases left investors underwhelmed. Furthermore, at the start of August, worries about an economic slowdown in the US and a volatility in the Japanese yen (sparked by an increase in interest rates by the Bank of Japan) had negative ramifications for markets.

Stock selection proved particularly detrimental to relative returns, especially in technology and financials. The fund's above-benchmark position in healthcare also dented relative performance. In contrast, stockpicking in industrials enhanced relative returns, as did the fund's lack of exposure to the energy sector.

Key detractors from relative performance included Horiba, Bank of Georgia and Novo Nordisk. In May, the passing of Georgia's controversial new 'foreign agent'

law hurt Bank of Georgia's share price. In July, positive early-stage trial data on Roche's weight-loss pill led to a drop in Novo Nordisk's share price. Roche's medication is a potential rival to Novo Nordisk's Wegovy. In August, the pharma company cut its full-year profit outlook and released disappointing second-quarter sales figures for Wegovy. This resulted in another fall in its share price. In September, the market reacted negatively to news that Ozempic was likely to be the subject of pricing discussions between Novo Nordisk and the US Centers for Medicare & Medicaid Services.

The top contributors to relative performance were ALK-Abello and Brambles. In May, ALK-Abello's share price rose after it released solid quarterly results and raised its full-year revenue guidance. In August, it once again posted strong quarterly numbers and increased its full-year outlook, providing another boost to its share price. Brambles' share price rose after its fiscal-year 2024 numbers impressed investors in August.

## Investment activities

In April, we decided to close our position in Grifols. A number of factors contributed to this decision, including concerns about the healthcare company's ability to refinance its debt should the sale of its stake in Shanghai RAAS fall through. In June, GRAIL became part of the fund after its spin-off from Illumina. We immediately closed our position in the company.

We opened a position in sustainable technology company Tomra Systems in July.

## ESG engagements

We engaged with SolarEdge Technologies to ensure that it was paying due attention to forced labour risk, particularly in relation to the solar panels it sources from China. SolarEdge Technologies stated that it only provides a small number of solar panels to customers. It confirmed that the Chinese solar panel providers it has used are not connected to Xinjiang, which is a key hub for forced labour in the country. SolarEdge Technologies also said that it is committed to taking the action necessary to prevent any connection between the company and human rights abuses in China.

# Authorised Corporate Director's Report

We also met French energy management company Schneider Electric to discuss how it could generate further carbon savings for its customers. We proposed that it develop new key performance indicators to even better reflect its impact. We also talked about the company's climate targets and strategy.

Schneider Electric confirmed that it offers consulting services to help customers access renewable energy. Customers making use of the company's building solutions and other management systems can also track the energy they consume. We considered potential key performance indicators (KPIs) with Schneider Electric, highlighting two obvious metrics – impact revenue and emissions avoided (which is our current metric). The business is working through its Scope 3 plan, targeting its top 1,000 suppliers. For example, it is embedding decarbonisation standards into contracts.

## Outlook

In our view, the companies backed by the M&G Positive Impact Fund have good long-term prospects. These companies often provide access to healthcare, or are emerging/frontier market banks in vibrant economies with better demographics and profit opportunities than those in western economies. The fund also encompasses businesses that deliver efficient energy (and money) saving solutions, as well as clean energy companies which have a crucial role to play in the inevitable decarbonisation of the world. In our opinion, the companies in our fund have high-quality business models and are set to benefit from viable growth opportunities in the next decade.

The headwinds from the post-COVID destocking in the life sciences industry are showing signs of abating. Meanwhile, the interest rate shock affecting the renewable energy space is also easing and improving. Furthermore, despite political uncertainty, the world continues to move towards reducing greenhouse gas emissions.

The AI boom will lead to wider adoption of digital twins and we believe many industrial companies will use Ansys's software to construct these. More electricity

and water will be needed to keep the new AI data centres running. This should lead to increased business for companies like Schneider Electric and Johnson Controls which can help drive efficiency and limit resource waste.

Along with this, we think that many of the companies we hold have relatively attractive valuations. We therefore feel quite comfortable – not just about the next quarters, but also about the next decades.

## John William Olsen

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 30.09.24 \$'000	as at 30.09.24 %	as at 31.03.24 %
<b>Equities</b>	<b>270,033</b>	<b>96.32</b>	<b>98.13</b>
<b>Containers &amp; packaging</b>	<b>8,105</b>	<b>2.89</b>	<b>2.49</b>
1,320,517 DS Smith PLC	8,105	2.89	
<b>Building products</b>	<b>15,767</b>	<b>5.62</b>	<b>5.01</b>
204,173 Johnson Controls International PLC	15,767	5.62	
<b>Electrical equipment</b>	<b>19,413</b>	<b>6.93</b>	<b>6.06</b>
323,493 Ceres Power Holdings PLC	1,218	0.44	
68,536 Schneider Electric SE	18,195	6.49	
<b>Commercial services &amp; supplies</b>	<b>30,615</b>	<b>10.92</b>	<b>9.48</b>
774,204 Brambles Ltd.	10,106	3.60	
64,924 Republic Services, Inc.	12,944	4.62	
164,786 TOMRA Systems ASA	2,410	0.86	
26,815 UniFirst Corp.	5,155	1.84	
<b>Diversified consumer services</b>	<b>5,591</b>	<b>1.99</b>	<b>1.72</b>
40,381 Bright Horizons Family Solutions, Inc.	5,591	1.99	
<b>Speciality retail</b>	<b>7,564</b>	<b>2.70</b>	<b>2.34</b>
118,157 eBay, Inc.	7,564	2.70	
<b>Health care equipment &amp; supplies</b>	<b>8,066</b>	<b>2.88</b>	<b>3.12</b>
33,438 Becton Dickinson & Co.	8,066	2.88	
<b>Health care providers &amp; services</b>	<b>29,370</b>	<b>10.48</b>	<b>8.99</b>
86,435 Fresenius Medical Care AG	3,688	1.32	
65,869 Quest Diagnostics, Inc.	10,181	3.63	
26,575 UnitedHealth Group, Inc.	15,501	5.53	
<b>Biotechnology</b>	<b>2,200</b>	<b>0.78</b>	<b>2.31</b>
1,082,649 PureTech Health PLC	2,200	0.78	
<b>Pharmaceuticals</b>	<b>25,112</b>	<b>8.96</b>	<b>10.59</b>
373,157 ALK-Abello AS	9,577	3.42	
131,098 Novo Nordisk AS	15,535	5.54	
<b>Life sciences tools &amp; services</b>	<b>26,692</b>	<b>9.52</b>	<b>9.56</b>
56,027 Agilent Technologies, Inc.	8,290	2.96	
26,586 Illumina, Inc.	3,447	1.23	
846,463 Oxford Nanopore Technologies PLC	1,837	0.65	
21,372 Thermo Fisher Scientific, Inc.	13,118	4.68	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 \$'000	as at 30.09.24 %	as at 31.03.24 %
<b>Equities (continued)</b>			
<b>Banks</b>			
156,128 Bank of Georgia Group PLC	7,734	2.76	
25,885,100 Bank Rakyat Indonesia Persero Tbk. PT	8,463	3.02	
193,024 HDFC Bank Ltd. ADR	12,285	4.38	
<b>Insurance</b>			
87,961 AMERISAFE, Inc.	4,242	1.51	1.66
<b>Software</b>			
30,748 ANSYS, Inc.	9,974	3.56	
31,823 Autodesk, Inc.	8,728	3.11	
<b>Electronic equipment, instruments &amp; components</b>			
103,700 Horiba Ltd.	6,846	2.44	
40,128 IPG Photonics Corp.	2,996	1.07	
<b>Semiconductors &amp; semiconductor equipment</b>			
164,232 ON Semiconductor Corp.	11,950	4.27	
41,800 SolarEdge Technologies, Inc.	960	0.34	
<b>Diversified telecommunication services</b>			
2,818,323 Helios Towers PLC	4,292	1.53	1.27
<b>Wireless telecommunication services</b>			
20,354,933 Safaricom PLC	2,359	0.84	
<b>Electric utilities</b>			
124,202 Orsted AS	8,330	2.97	2.42
<b>Real estate management &amp; development</b>			
169,900 Katitas Co. Ltd.	2,379	0.85	0.83
<b>Total portfolio</b>	<b>270,033</b>	<b>96.32</b>	<b>98.13</b>
<b>Net other assets/(liabilities)</b>	<b>10,306</b>	<b>3.68</b>	<b>1.87</b>
<b>Net assets attributable to shareholders</b>	<b>280,339</b>	<b>100.00</b>	<b>100.00</b>

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

# Portfolio statement

## Top ten portfolio transactions for the six months to 30 September 2024

Largest purchases	\$'000
Bank Rakyat Indonesia Persero Tbk. PT	4,025
TOMRA Systems ASA	2,273
UnitedHealth Group, Inc.	1,432
ANSYS, Inc.	756
Orsted AS	609
SolarEdge Technologies, Inc.	292
Schneider Electric SE	120
Johnson Controls International PLC	97
Republic Services, Inc.	89
ON Semiconductor Corp.	86
Other purchases	906
<b>Total purchases</b>	<b>10,685</b>

Largest sales	\$'000
Novo Nordisk AS	5,333
Bank of Georgia Group PLC	4,961
Grifols SA Preference Shares	2,728
ALK-Abello AS	2,113
Schneider Electric SE	1,354
Johnson Controls International PLC	1,125
PureTech Health PLC	1,087
UnitedHealth Group, Inc.	1,036
Republic Services, Inc.	986
Thermo Fisher Scientific, Inc.	975
Other sales	11,345
<b>Total sales</b>	<b>33,043</b>

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](http://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. Please refer to 'Comparative tables' for the share class launch dates.

Share class	Six months % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	-0.5	+0.9	+6.7	n/a
Class 'A' Accumulation	-0.5	+0.9	+6.7	n/a
Class 'I' Income	-0.3	+1.3	+7.1	n/a
Class 'I' Accumulation	-0.3	+1.3	+7.1	n/a
Class 'L' Income	-0.2	+1.5	+7.4	n/a
Class 'L' Accumulation	-0.2	+1.5	+7.4	n/a
Class 'PP' Income	-0.3	+1.4	+7.3	n/a
Class 'PP' Accumulation	-0.3	+1.4	+7.3	n/a
Class 'R' Income	-0.5	+1.0	+6.9	n/a
Class 'R' Accumulation	-0.5	+1.0	+6.9	n/a
<b>Benchmark</b>	<b>+3.5</b>	<b>+8.8</b>	<b>+10.8</b>	<b>n/a</b>

<sup>a</sup> Not annualised.

## Comparative tables

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

# Financial highlights

## Sterling Class 'A' Income shares

The share class was launched on 20 November 2018.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	2,196	2,395	2,389
Number of shares	1,085,909	1,246,199	1,321,314
Closing NAV per share (UK p)	150.86	152.35	146.07
Operating charges (%)	1.10	1.10	1.10

## Sterling Class 'I' Income shares

The share class was launched on 20 November 2018.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	11,534	15,905	17,310
Number of shares	5,547,908	8,068,870	9,372,344
Closing NAV per share (UK p)	155.07	156.28	149.24
Operating charges (%)	0.70	0.70	0.70

## Sterling Class 'L' Income shares

The share class was launched on 20 November 2018.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	84,765	86,576	91,939
Number of shares	40,250,195	43,402,992	49,288,469
Closing NAV per share (UK p)	157.09	158.15	150.73
Operating charges (%)	0.50	0.50	0.50

## Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	1,906	964	890
Number of shares	1,057,287	564,494	556,614
Closing NAV per share (UK p)	134.44	135.43	129.20
Operating charges (%)	0.60	0.60	0.60

## Sterling Class 'A' Accumulation shares

The share class was launched on 20 November 2018.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	1,646	1,461	1,185
Number of shares	758,455	708,773	620,500
Closing NAV per share (UK p)	161.91	163.47	154.35
Operating charges (%)	1.10	1.10	1.10

## Sterling Class 'I' Accumulation shares

The share class was launched on 20 November 2018.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	121,630	121,545	110,240
Number of shares	54,520,077	57,474,523	56,490,188
Closing NAV per share (UK p)	166.40	167.67	157.69
Operating charges (%)	0.70	0.70	0.70

## Sterling Class 'L' Accumulation shares

The share class was launched on 20 November 2018.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	40,126	34,014	9,306
Number of shares	17,756,927	15,895,410	4,722,010
Closing NAV per share (UK p)	168.55	169.66	159.25
Operating charges (%)	0.50	0.50	0.50

## Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	11,676	17,616	16,502
Number of shares	5,636,861	8,976,246	9,121,190
Closing NAV per share (UK p)	154.50	155.60	146.19
Operating charges (%)	0.60	0.60	0.60

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 20 November 2018.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	639	635	586
Number of shares	312,115	326,604	320,935
Closing NAV per share (UK p)	152.80	154.19	147.61
Operating charges (%)	0.95	0.95	0.95

## Sterling Class 'R' Accumulation shares

The share class was launched on 20 November 2018.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	4,221	4,031	4,125
Number of shares	1,919,893	1,931,826	2,136,846
Closing NAV per share (UK p)	163.99	165.45	155.98
Operating charges (%)	0.95	0.95	0.95



# Financial statements and notes

## Financial statements

### Statement of total return

for the six months to 30 September	2024		2023	
	\$'000	\$'000	\$'000	\$'000
<b>Income</b>				
Net capital gains/(losses)		12,578		(14,394)
Revenue	2,476		2,429	
Expenses	(846)		(814)	
Interest payable and similar charges	(1)		(3)	
Net revenue/(expense) before taxation	1,629		1,612	
Taxation	(149)		(145)	
Net revenue/(expense) after taxation		1,480		1,467
<b>Total return before equalisation</b>		<b>14,058</b>		<b>(12,927)</b>
Equalisation		(12)		108
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>14,046</b>		<b>(12,819)</b>

### Statement of change in net assets attributable to shareholders

for the six months to 30 September	2024		2023	
	\$'000	\$'000	\$'000	\$'000
<b>Opening net assets attributable to shareholders</b>		<b>285,142</b>		<b>254,472</b>
Amounts received on issue of shares	20,799		40,983	
Amounts paid on cancellation of shares	(39,678)		(13,118)	
		(18,879)		27,865
Dilution adjustments		30		61
Change in net assets attributable to shareholders from investment activities (see above)		14,046		(12,819)
<b>Closing net assets attributable to shareholders</b>		<b>280,339</b>		<b>269,579</b>

The opening net assets attributable to shareholders for 2024 differs to the closing position in 2023 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

# Financial statements and notes

## Financial statements

### Balance sheet

as at	30 September 2024 \$'000	31 March 2024 \$'000
<b>Assets</b>		
<b>Fixed assets</b>		
Investments	270,033	279,812
<b>Current assets</b>		
Debtors	3,378	587
Cash and bank balances	87	6,476
Cash equivalents	8,101	0
<b>Total assets</b>	<b>281,599</b>	<b>286,875</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Distribution payable	0	(1,653)
Other creditors	(1,260)	(80)
<b>Total liabilities</b>	<b>(1,260)</b>	<b>(1,733)</b>
<b>Net assets attributable to shareholders</b>	<b>280,339</b>	<b>285,142</b>

# Financial statements and notes

## Notes to the financial statements

### Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 5.

### 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.

# Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 6 June 2024 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 the Bloomberg MSCI Global Corporate ESG BB+ Sustainable SRI Bond Index (GBP hedged) over any five-year period, while applying ESG criteria and sustainability criteria.

## Investment policy

At least 80% of the fund is invested directly in investment grade corporate bonds including investment grade asset-backed securities. These securities may be issued by companies that are domiciled in any country, including emerging markets. The investment grade corporate bonds may be denominated in any currency and currency exposure is typically hedged back to GBP.

The fund may also invest in:

- Below investment grade and unrated corporate bonds;
- Bonds issued or guaranteed by governments and their agencies, public authorities, quasi-sovereigns and supranational bodies;
- Below investment grade and unrated asset-backed securities; and
- Other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

Investments in asset-backed securities are limited to 20% of the fund.

The fund invests at least 10% of its assets into ESG themed bonds.

The fund invests in securities that meet the ESG criteria and sustainability criteria. This is achieved through the use of M&G's proprietary analysis and/or third party ESG information.

The following types of exclusions apply to the fund's direct investments:

- Norms-based exclusions: investments that are assessed to be in breach of commonly accepted standards of behaviour related to human rights, labour rights, environment and anti-corruption.
- Sector-based and/or values-based exclusions: investments and/or sectors exposed to business activities that are assessed to be damaging to human health, societal wellbeing, the environment, or otherwise assessed to be misaligned with the fund's sector-based and/or values-based criteria.
- Other exclusions: investments assessed to be otherwise in conflict with the ESG criteria and sustainability criteria.

References to 'assessed' above mean assessment in accordance with the ESG criteria and sustainability criteria document.

The fund maintains a higher weighted average ESG score and lower weighted average carbon Intensity than the global corporate bond market, as represented by the Bloomberg Global Aggregate Corporate Index. The composition of this index does not constrain the fund's portfolio construction.

Further information on the fund's ESG criteria and sustainability criteria can be found in the ESG criteria and sustainability criteria document as disclosed in the ESG information section below.

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

As explained in the ESG criteria and sustainability criteria document, it may not be practicable to perform ESG analysis on cash, near cash, some derivatives and some collective investment schemes, to the same standards as for the other investments. The fund managers will assess the suitability of such instruments relative to the fund's investment objective.

# Authorised Corporate Director's Report

## Investment approach

The fund is globally diversified and seeks to provide exposure to a broad range of issuers across a variety of sectors.

The fund managers have the flexibility to adjust the fund's credit exposure, sector positioning and regional allocations based on the assessment of current market valuations and the macroeconomic environment.

Individual credit selection based on bottom-up analysis of the global corporate bond market by in-house credit analysts complements the fund managers' views.

Sustainability criteria are fully integrated into credit analysis and investment decisions, and play an important role in determining the investment universe and portfolio construction. Sustainability characteristics are assessed as part of the analysis of bond issuers, driving security selection through considering the ESG scores and carbon intensity of the investments made, where this is not detrimental to the pursuit of the investment objective. This process is expected to result in a portfolio positively tilted towards more sustainable issuers.

Further information can be found in the ESG criteria and sustainability criteria document.

## ESG Information

Additional information is available to investors on the fund page of the M&G website:

- ESG criteria and sustainability criteria: in the document titled 'M&G Sustainable Global Corporate Bond Fund – ESG criteria and sustainability criteria' which includes the fund's exclusions approach.
- Periodic reporting that outlines the non-financial outcomes of the fund.

## Benchmark

Bloomberg MSCI Global Corporate ESG BB+ Sustainable SRI Bond Index (GBP hedged)

This 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. This benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

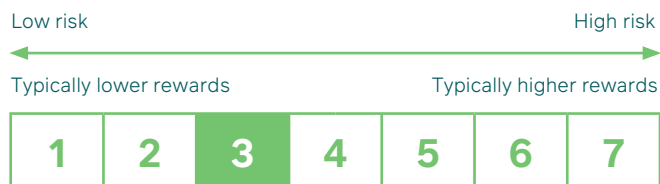
The fund is actively managed and the fund managers have freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents

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.

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 six months ended 30 September 2024

### Performance against objective

Between 1 April 2024 and 30 September 2024 (the period under review), the M&G Sustainable Global Corporate Bond Fund delivered a positive total return (the combination of income and capital growth) across all its sterling share classes. Fund performance was behind the benchmark, the Bloomberg MSCI Global Corporate ESG BB+ Sustainable SRI Bond Index, which returned 4.9% over the same period.

The fund's objective is to provide a combination of capital growth and income, net of the ongoing charge figure, that is higher than the Bloomberg MSCI Global Corporate ESG BB+ Sustainable SRI Bond Index over any five-year period while applying ESG criteria and sustainability criteria.

The fund was launched on 18 May 2022, therefore it is too early to say whether it has met its objective.

### Market overview

Over the past six months, the fixed income markets had mixed, yet overall positive performance. Global bonds faced challenges at the beginning of the review period as markets adjusted their expectations for the path of interest rates, and geopolitical concerns unsettled investors. However, bonds increased in value during the second half of the review period as more central banks began their interest rate easing cycles.

In the US, headline inflation reached the lowest level in four years, although the consumer price index increased in August. In the UK, the 12-month headline inflation rate remained steady, and headline inflation in the eurozone continued its downward trend. Subsequently, for the first time in more than four years, both the US Federal Reserve (Fed) and the Bank of England (BoE) implemented reductions in their benchmark interest rates. The BoE initiated the move in August with a modest quarter of a percentage point cut to its key rate. In September the Fed implemented a more pronounced half of a percentage point cut in its interest rate. The European Central Bank also

proceeded with a cut to its main interest rate, its second rate cut within the year, with the first having taken place in June.

Corporate bond markets surged during the period as the global economy showed signs of improvement and began to stabilise. After tightening for most of the year, investment grade credit spreads – the difference between the yields of government bonds and those of corporate bonds, which is used as a gauge of investors' appetite for risk – widened during the first half of the period due to weaker economic data and political risks in France. However, spreads narrowed again by the end of the review period. In September, high yield bonds, which are considered riskier as they are rated lower than investment grade rated bonds, delivered positive returns, largely driven by the Fed's interest rate cuts. Additionally, the tightening of spreads, alongside the carry benefit – selling lower-yielding bonds while buying higher-yielding ones as an example of a carry play – was further supported by falling government bond yields.

The fund has a bias to high-quality banks, sovereigns and insurance companies, with around 49% of the strategy invested in US companies. Towards the end of the review period, the largest issuers included Metropolitan Life Global Funding, Morgan Stanley, Lloyds Banking and Bank of America. Other major holdings were US-based insurance company MassMutual Global Funding and Verizon Communications.

The average credit rating of bonds held by the fund was A at the end of the period, an 'investment-grade' rating. The fund didn't have any exposure to sub-investment grade debt (debt rated BB and below, which is of a lower credit quality than investment grade bonds and therefore riskier).

The fund's duration (a measure of a bond price's sensitivity to changes in interest rates – the longer the duration, the more sensitive it is to changes) was 5.92 years at the end of the period. One of the key themes over the majority of the review period was to benefit from the fund's exposure to interest rate risk.

# Authorised Corporate Director's Report

This was primarily driven by bull steepening – when the yield curve steepens, the yields of bonds with longer maturities rises, which means their prices drop, and the yields of bonds with shorter maturities fall and their prices rise – with most of the duration exposure coming from the short end and the middle of the yield curve (one to seven years). However, by the end of the review period, we reduced our active duration position as the cycle of interest rate reductions has begun and additional interest rate reductions are anticipated in the market.

The fund underperformed its benchmark over the period. Credit positioning, especially asset allocation, weighed on performance. Below-benchmark exposure to the banking industry was negative although it was offset by credit selection. Elsewhere, our underweight exposure to real estate also detracted. On the other hand, the fund's overweight to covered bonds added value. Credit selection was modestly positive, with choices in retail and asset-backed securities contributing negatively, while selections in utilities added value. At the issuer level, our holdings in UK retailer Tesco and SW (Finance) were detrimental to relative performance. However, our holdings in the banking group Triodos Bank and technology company Intel made a positive contribution.

## Investment activities

The fund follows a dynamic, value-based investment approach, based on analysis of corporate bonds, issuers, and macroeconomic factors. Investments are spread across issuers, industries, and countries.

The last six months were dominated by the policy action taken by various central banks on interest rates. We switched to a longer duration in early May from German government bonds (bunds) to US government bonds (Treasuries) as we found more value in the short end and the belly of the US Treasury curve. Following that, in June, we switched the remaining US Treasury Inflation-Protected Securities (TIPS) exposure to nominal bonds as disinflation continued. As the US economy continued to hold up relatively better, we slightly reduced our active duration exposure and moved some US duration into euro duration in August.

At the end of the review period, our largest active risk position is now our credit underweight, rather than our long duration or steeper positions.

In credit, the fund had an active primary market at the start of the period when we added new attractive deals like French banking group BPCE and Spanish bank Sabadell, and high-quality issues like Johnson & Johnson, Swisscom, and Novo Nordisk. We also added deals with compelling relative value like AEP Texas and Timken. We participated in high-quality primary Real Estate Investment Trust (REIT) deals to increase our exposure in the REIT sector. Secondary trading was mainly focused on selling to generate cash for participating in new issues. The focus was on reducing lower-quality paper and high-yield exposure. We trimmed some French bank paper and took exposure to Schneider Electric. We sold holdings in Novo Banco, Eurofins Scientific, National Bank of Greece, Videotron, and Dollar General. We also purchased green bonds from Air Liquide Finance and BPCE. On the other hand, we removed the green senior non-preferred paper from Swedbank, which kept the fund's exposure to ESG bonds unchanged month on month.

June was a quiet month in the primary market, but we did get involved in deals for Aptiv, Northwestern Mutual, DSM, and a Volkswagen (VW) green bond. By taking advantage of weakness in French bonds, we increased our exposure to Credit Agricole. We closed our position in Tier 2 paper of Triodos Bank. July was also an inactive month for the primary market. The only new issue that we bought was a Banca Monte dei Paschi di Siena covered bond. To raise some cash, we sold a NBN green bond, and A1 Towers in July and bought some Hamburg Commercial Bank senior preferred bonds. We also increased our holding in Warnermedia following a decline in bond prices after speculative reports that Warner Bros. Discovery could spin off their streaming business.

The trend continued in August with low trading activity in the primary market. We increased our exposure to Toyota Finance and Lonza Finance, as well as participated in funding agreement-backed bonds issued by Principal Life and Athene Global. We bought

# Authorised Corporate Director's Report

some Intel bonds from the secondary market due to operational weakness and reduced our exposure to Swisscom. We did not see much value in credit and were priced out of most deals despite the swath of issuance over September. We closed out our position in Thames Water 2031s.

## Outlook

Our view over the macroeconomic conditions has not changed much during the period under review. We continue to position the funds so that they can benefit from rate cuts, but we have reduced our active duration position as the cutting cycle has begun and more cuts are priced in. Duration was 6.44 years at the beginning of the period, vs 5.92 years at the end of September 2024.

While close to fully invested, the fund is almost maximum short in credit risk, with a focus on shorter-dated bonds, given flat credit curves and rich valuations in credit. We believe the opportunity remains bigger in government bonds than in corporate bonds, which we reflect in our positioning. Our allocation to government bonds increased to 10.5% from 7.8% during the period, while that to investment grade corporate bonds was reduced to 73.5% from 78.1%.

Fiscal stimulus is riskier in today's environment of higher yields and higher debt, in our view, and so we are less keen on owning US dollar duration further out in the yield curve. We see encouraging signs in inflation for the UK and Europe, but greater weakness in the economy in these two regions. Therefore, we see the chance of more interest rate cuts there, hence our longer duration positioning.

## Ben Lord and Mario Eisenegger

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 30.09.24 £'000	as at 30.09.24 %	as at 31.03.24 %
<b>Fixed income</b>	<b>15,892</b>	<b>92.63</b>	<b>93.16</b>
<b>Debt securities</b>	<b>15,880</b>	<b>92.56</b>	<b>93.10</b>
<b>'AAA' credit rated bonds</b>	<b>1,609</b>	<b>9.38</b>	<b>3.99</b>
£100,000 Bayerische Landesbank 1% 20/12/2024	99	0.58	
€100,000 BPCE SFH SA 3.125% 22/05/2034	85	0.50	
€185,000 Bundesrepublik Deutschland Bundesanleihe 2.3% 15/02/2033	158	0.92	
€100,000 Commerzbank AG 3% 13/03/2034	85	0.50	
€100,000 Credit Agricole Home Loan SFH SA 3% 01/12/2030	85	0.49	
€100,000 Credit Agricole Home Loan SFH SA 3% 11/12/2032	85	0.50	
€100,000 Johnson & Johnson 3.2% 01/06/2032	86	0.50	
US\$300,000 Kreditanstalt fuer Wiederaufbau 1.25% 31/01/2025	221	1.29	
£100,000 Lloyds Bank PLC 5.125% 07/03/2025	100	0.58	
£100,000 National Australia Bank Ltd. FRN 5.58% 17/06/2026	100	0.58	
€100,000 Nationwide Building Society 3.309% 02/05/2034	87	0.51	
US\$200,000 New York Life Global Funding 4.9% 13/06/2028	153	0.89	
£100,000 Northwestern Mutual Global Funding 4.88% 12/12/2029	102	0.59	
US\$100,000 Northwestern Mutual Global Funding 5.16% 28/05/2031	78	0.45	
€100,000 Santander U.K. PLC 3% 12/03/2029	85	0.50	
<b>'AA' credit rated bonds</b>	<b>4,240</b>	<b>24.71</b>	<b>17.30</b>
€200,000 Banca Monte dei Paschi di Siena SpA 3.375% 16/07/2030	171	1.00	
€100,000 Banco Santander Totta SA 3.25% 15/02/2031	86	0.50	
US\$200,000 Banque Federative du Credit Mutuel SA 4.753% 13/07/2027	151	0.88	
£100,000 Banque Federative du Credit Mutuel SA 5.375% 25/05/2028	102	0.59	
US\$200,000 BNP Paribas SA Var 5.335% 12/06/2029	154	0.90	
US\$60,000 Cisco Systems, Inc. 4.85% 26/02/2029	46	0.27	
US\$60,000 Cisco Systems, Inc. 4.95% 26/02/2031	47	0.27	
€100,000 Credit Agricole Italia SpA 3.5% 11/03/2036	87	0.51	
€200,000 Credit Agricole SA 4.125% 07/03/2030	176	1.03	
US\$400,000 MassMutual Global Funding II 4.5% 10/04/2026	300	1.75	
£200,000 Metropolitan Life Global Funding I 1.625% 12/10/2028	179	1.04	
US\$150,000 Metropolitan Life Global Funding I 4.3% 25/08/2029	112	0.65	
US\$200,000 Metropolitan Life Global Funding I 5.15% 28/03/2033	154	0.90	
£120,000 Nestle Capital Corp. 4.5% 22/03/2029	121	0.71	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 £'000	as at 30.09.24 %	as at 31.03.24 %
<b>Fixed income (continued)</b>			
<b>Debt securities (continued)</b>			
<b>'AA' credit rated bonds (continued)</b>			
US\$100,000 Novartis Capital Corp. 3.8% 18/09/2029	74	0.43	
€100,000 Novo Nordisk Finance Netherlands BV 3.25% 21/01/2031	85	0.50	
US\$200,000 Roche Holdings, Inc. 1.93% 13/12/2028	137	0.80	
US\$250,000 Siemens Financieringsmaatschappij NV 1.7% 11/03/2028	173	1.01	
€100,000 Siemens Financieringsmaatschappij NV 3.625% 22/02/2044	83	0.48	
£480,000 U.K. Gilts 0.625% 22/10/2050	198	1.15	
US\$802,000 U.S. Treasury Bonds 1.125% 15/08/2040	393	2.29	
US\$600,200 U.S. Treasury Bonds 1.25% 15/05/2050	240	1.40	
US\$46,100 U.S. Treasury Inflation-Indexed Bonds 0.625% 15/02/2043	38	0.22	
US\$500,000 U.S. Treasury Notes 0.5% 31/10/2027	340	1.98	
US\$150,000 U.S. Treasury Notes 0.625% 15/05/2030	95	0.55	
US\$500,000 U.S. Treasury Notes 1.125% 29/02/2028	344	2.00	
US\$200,000 Westpac New Zealand Ltd. 5.195% 28/02/2029	154	0.90	
<b>'A' credit rated bonds</b>	<b>5,118</b>	<b>29.83</b>	<b>24.09</b>
US\$100,000 AbbVie, Inc. 3.2% 21/11/2029	72	0.42	
€100,000 Aena SME SA 4.25% 13/10/2030	88	0.51	
€100,000 Air Liquide Finance SA 3.375% 29/05/2034	85	0.50	
US\$100,000 American Water Capital Corp. 6.593% 15/10/2037	87	0.51	
US\$100,000 Athene Global Funding 4.86% 27/08/2026	75	0.44	
€100,000 Avinor AS 3.5% 29/05/2034	84	0.49	
€100,000 Ayvens SA 3.875% 22/02/2027	85	0.50	
€100,000 Banco de Sabadell SA 3.25% 05/06/2034	86	0.50	
US\$100,000 Bank of America Corp. Var 2.087% 14/06/2029	69	0.40	
US\$100,000 Bank of America Corp. Var 4.271% 23/07/2029	74	0.43	
US\$150,000 Bank of America Corp. Var 5.202% 25/04/2029	115	0.67	
US\$100,000 Bank of America Corp. Var 6.204% 10/11/2028	79	0.46	
€100,000 CaixaBank SA 4.25% 06/09/2030	89	0.52	
US\$100,000 Canadian Imperial Bank of Commerce Var 4.631% 11/09/2030	75	0.44	
US\$100,000 Cintas Corp. No. 2 4% 01/05/2032	73	0.43	
US\$55,000 Citigroup, Inc. Var 3.98% 20/03/2030	40	0.23	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 £'000	as at 30.09.24 %	as at 31.03.24 %
<b>Fixed income (continued)</b>			
<b>Debt securities (continued)</b>			
<b>'A' credit rated bonds (continued)</b>			
US\$200,000 Comcast Corp. 3.25% 01/11/2039	122	0.71	
US\$90,000 Comcast Corp. 3.4% 01/04/2030	64	0.37	
US\$90,000 CSL Finance PLC 4.625% 27/04/2042	63	0.37	
US\$150,000 Deutsche Bank AG 5.414% 10/05/2029	116	0.68	
€100,000 DSM BV 3.625% 02/07/2034	86	0.50	
US\$120,000 DTE Electric Co. 1.9% 01/04/2028	83	0.48	
US\$100,000 Duke Energy Progress LLC 5.1% 15/03/2034	78	0.45	
€100,000 East Japan Railway Co. 4.11% 22/02/2043	87	0.51	
US\$22,000 FirstEnergy Pennsylvania Electric Co. 5.15% 30/03/2026	17	0.10	
US\$13,000 FirstEnergy Pennsylvania Electric Co. 5.2% 01/04/2028	10	0.06	
US\$150,000 GlaxoSmithKline Capital, Inc. 3.875% 15/05/2028	111	0.65	
US\$65,000 Goldman Sachs Group, Inc. Var 1.992% 27/01/2032	42	0.24	
€50,000 Hamburg Commercial Bank AG 4.75% 02/05/2029	44	0.26	
£100,000 HSBC Holdings PLC Var 3% 29/05/2030	92	0.54	
€100,000 Illinois Tool Works, Inc. 3.375% 17/05/2032	85	0.50	
US\$82,000 John Deere Capital Corp. 5.1% 11/04/2034	64	0.37	
US\$187,000 JPMorgan Chase & Co. Var 2.069% 01/06/2029	129	0.75	
US\$110,000 JPMorgan Chase & Co. Var 2.739% 15/10/2030	76	0.44	
US\$90,000 JPMorgan Chase & Co. Var 3.782% 01/02/2028	66	0.38	
€100,000 KBC Group NV 3.75% 27/03/2032	86	0.50	
US\$350,000 Lloyds Banking Group PLC Var 1.627% 11/05/2027	250	1.46	
US\$160,000 Morgan Stanley Var 0.864% 21/10/2025	119	0.69	
US\$230,000 Morgan Stanley Var 2.943% 21/01/2033	153	0.89	
€100,000 Morgan Stanley Var 3.79% 21/03/2030	86	0.50	
US\$100,000 Morgan Stanley Var 5.656% 18/04/2030	79	0.46	
€100,000 Motability Operations Group PLC 3.5% 17/07/2031	85	0.50	
US\$75,000 National Rural Utilities Cooperative Finance Corp. 1.35% 15/03/2031	46	0.27	
£100,000 Nationwide Building Society 6.125% 21/08/2028	105	0.61	
US\$220,000 NatWest Group PLC Var 4.892% 18/05/2029	164	0.96	
US\$28,000 Pfizer Investment Enterprises Pte. Ltd. 4.45% 19/05/2028	21	0.12	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 £'000	as at 30.09.24 %	as at 31.03.24 %
<b>Fixed income (continued)</b>			
<b>Debt securities (continued)</b>			
<b>'A' credit rated bonds (continued)</b>			
US\$100,000 Potomac Electric Power Co. 5.2% 15/03/2034	78	0.45	
US\$24,000 Principal Life Global Funding II 4.6% 19/08/2027	18	0.10	
€100,000 RTE Reseau de Transport d'Electricite SADIR 2.875% 02/10/2028	83	0.48	
€100,000 Schneider Electric SE 3.125% 13/10/2029	85	0.50	
US\$200,000 SMBC Aviation Capital Finance DAC 5.7% 25/07/2033	155	0.90	
US\$100,000 Southern California Edison Co. 2.75% 01/02/2032	66	0.38	
€100,000 Swisscom Finance BV 3.5% 29/11/2031	86	0.50	
US\$100,000 Target Corp. 4.5% 15/09/2034	75	0.44	
£100,000 Toyota Finance Australia Ltd. 4.625% 29/03/2028	100	0.58	
US\$200,000 UBS Group AG Var 3.126% 13/08/2030	140	0.82	
US\$52,000 UBS Group AG Var 6.246% 22/09/2029	41	0.24	
US\$47,000 U.S. Bancorp Var 5.384% 23/01/2030	36	0.21	
€32,000 Volkswagen Financial Services Overseas AG 3.875% 10/09/2030	27	0.16	
US\$40,000 Wells Fargo & Co. Var 4.478% 04/04/2031	30	0.17	
US\$100,000 Wells Fargo & Co. Var 5.389% 24/04/2034	77	0.45	
US\$150,000 Wells Fargo & Co. Var 5.574% 25/07/2029	116	0.68	
<b>'BBB' credit rated bonds</b>	<b>4,913</b>	<b>28.64</b>	<b>43.97</b>
US\$150,000 AEP Texas, Inc. 3.95% 01/06/2028	110	0.64	
US\$100,000 AEP Texas, Inc. 5.45% 15/05/2029	78	0.45	
US\$100,000 AEP Texas, Inc. 5.7% 15/05/2034	78	0.45	
€100,000 AIB Group PLC Var 4.625% 23/07/2029	87	0.51	
US\$150,000 American International Group, Inc. 5.125% 27/03/2033	115	0.67	
€100,000 Aptiv PLC/Aptiv Global Financing Ltd. 4.25% 11/06/2036	84	0.49	
€100,000 Arkema SA 4.25% 20/05/2030	88	0.51	
€150,000 Bank of Ireland Group PLC Var 5% 04/07/2031	136	0.79	
US\$200,000 Bimbo Bakeries USA, Inc. 5.375% 09/01/2036	154	0.90	
€150,000 Brambles Finance PLC 4.25% 22/03/2031	133	0.78	
US\$100,000 Celanese U.S. Holdings LLC 6.35% 15/11/2028	79	0.46	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 £'000	as at 30.09.24 %	as at 31.03.24 %
<b>Fixed income (continued)</b>			
<b>Debt securities (continued)</b>			
<b>'BBB' credit rated bonds (continued)</b>			
US\$100,000 Charter Communications Operating LLC/Charter Communications Operating Capital 6.65% 01/02/2034	78	0.45	
€100,000 Coca-Cola Europacific Partners PLC 3.25% 21/03/2032	84	0.49	
US\$100,000 Concentrix Corp. 6.6% 02/08/2028	78	0.45	
€100,000 Deutsche Bank AG Var 4.125% 04/04/2030	85	0.50	
US\$50,000 Dominion Energy, Inc. 2.25% 15/08/2031	32	0.19	
US\$100,000 Elevance Health, Inc. 4.625% 15/05/2042	70	0.41	
US\$200,000 Enel Finance America LLC 7.1% 14/10/2027	160	0.93	
US\$190,000 Equinix, Inc. 3.9% 15/04/2032	136	0.79	
€100,000 Eurobank SA Var 4.875% 30/04/2031	87	0.51	
US\$100,000 Eversource Energy 5.5% 01/01/2034	77	0.45	
US\$100,000 Fox Corp. 6.5% 13/10/2033	82	0.48	
US\$150,000 Fresenius Medical Care U.S. Finance III, Inc. 2.375% 16/02/2031	94	0.55	
US\$100,000 HCA, Inc. 5.125% 15/06/2039	73	0.43	
US\$36,000 Hewlett Packard Enterprise Co. 5% 15/10/2034	27	0.16	
€100,000 Imerys SA 4.75% 29/11/2029	87	0.51	
US\$100,000 Intel Corp. 3.05% 12/08/2051	48	0.28	
US\$120,000 International Flavors & Fragrances, Inc. 3.268% 15/11/2040	68	0.40	
US\$210,000 Intesa Sanpaolo SpA 4% 23/09/2029	150	0.87	
US\$100,000 KeySpan Gas East Corp. 5.994% 06/03/2033	78	0.45	
US\$50,000 Kyndryl Holdings, Inc. 2.7% 15/10/2028	34	0.20	
€100,000 Lonza Finance International NV 3.25% 04/09/2030	84	0.49	
US\$100,000 Microchip Technology, Inc. 5.05% 15/03/2029	77	0.45	
US\$100,000 NextEra Energy Capital Holdings, Inc. 1.9% 15/06/2028	69	0.40	
US\$150,000 Norfolk Southern Corp. 5.05% 01/08/2030	117	0.68	
US\$200,000 Parker-Hannifin Corp. 4.2% 21/11/2034	145	0.85	
£110,000 Pearson Funding PLC 3.75% 04/06/2030	103	0.60	
US\$70,000 Piedmont Operating Partnership LP 6.875% 15/07/2029	55	0.32	
€100,000 Raiffeisen Bank International AG Var 4.625% 21/08/2029	86	0.50	
€100,000 Raiffeisen Bank International AG Var 5.25% 02/01/2035	84	0.49	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 £'000	as at 30.09.24 %	as at 31.03.24 %
<b>Fixed income (continued)</b>			
<b>Debt securities (continued)</b>			
<b>'BBB' credit rated bonds (continued)</b>			
US\$100,000 Republic Services, Inc. 5% 15/12/2033	77	0.45	
£100,000 SW Finance I PLC 7.375% 12/12/2041	88	0.51	
£100,000 Time Warner Cable LLC 5.75% 02/06/2031	96	0.56	
€100,000 Timken Co. 4.125% 23/05/2034	83	0.48	
€100,000 Triodos Bank NV Var 4.875% 12/09/2029	84	0.49	
US\$50,000 Tyson Foods, Inc. 5.4% 15/03/2029	39	0.23	
€150,000 UniCredit SpA Var 4.6% 14/02/2030	133	0.78	
US\$396,000 Verizon Communications, Inc. 4.78% 15/02/2035	295	1.72	
US\$50,000 Warnermedia Holdings, Inc. 4.279% 15/03/2032	33	0.19	
US\$50,000 Warnermedia Holdings, Inc. 5.05% 15/03/2042	30	0.18	
US\$60,000 Warnermedia Holdings, Inc. 5.141% 15/03/2052	35	0.20	
US\$100,000 Waste Connections, Inc. 2.2% 15/01/2032	64	0.37	
US\$100,000 Weyerhaeuser Co. 4% 15/11/2029	73	0.43	
£100,000 Whitbread Group PLC 2.375% 31/05/2027	93	0.54	
£100,000 Yorkshire Water Finance PLC 6.375% 18/11/2034	100	0.58	
<b>'BB' credit rated bonds</b>	<b>0</b>	<b>0.00</b>	<b>3.75</b>
<b>Debt derivatives</b>	<b>12</b>	<b>0.07</b>	<b>0.06</b>
<b>Credit default swaps</b>	<b>(1)</b>	<b>(0.01)</b>	<b>(0.01)</b>
€(100,000) Deutsche Bank AG 20/06/2026	(1)	(0.01)	
<b>Interest rate swaps</b>	<b>0</b>	<b>0.00</b>	<b>0.13</b>
£350,000 Pay VAR Receive 3.8141% 12/03/2029	0	0.00	
£350,000 Pay VAR Receive 3.8557% 11/03/2029	0	0.00	
£130,000 Pay VAR Receive 4.0356% 02/03/2028	0	0.00	
<b>Interest rate futures</b>	<b>13</b>	<b>0.08</b>	<b>(0.06)</b>
13 CBOT 2 Year U.S. Treasury Notes Futures Dec 2024	9	0.05	
(7) CBOT 5 Year U.S. Treasury Notes Futures Dec 2024	0	0.00	
7 CBOT 10 Year U.S. Treasury Notes Futures Dec 2024	1	0.00	
4 CBOT Ultra Long-Term U.S. Treasury Bond Futures Dec 2024	(2)	(0.01)	
2 CBOT U.S. Long Bond Futures Dec 2024	0	0.00	
18 Eurex 2 Year Euro SCHATZ Futures Dec 2024	5	0.03	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 £'000	as at 30.09.24 %	as at 31.03.24 %
<b>Fixed income (continued)</b>			
<b>Debt derivatives (continued)</b>			
<b>Interest rate futures (continued)</b>			
(2) Eurex 5 Year Euro BOBL Futures Dec 2024	0	0.00	
(6) Eurex 10 Year Euro BUND Futures Dec 2024	(7)	(0.04)	
(5) Long Gilt Futures Dec 2024	3	0.02	
3 Montreal Exchange 5 Year Canadian Bond Futures Dec 2024	2	0.01	
4 Montreal Exchange 10 Year Canadian Bond Futures Dec 2024	1	0.01	
(2) Ultra 10 Year U.S. Treasury Notes Futures Dec 2024	1	0.01	
<b>Currency</b>	<b>219</b>	<b>1.28</b>	<b>(0.27)</b>
<b>Forward currency contracts</b>	<b>219</b>	<b>1.28</b>	<b>(0.27)</b>
US\$171,918 Bought for £128,645 (expires 16.10.24)	(1)	(0.01)	
€(5,166,885) Sold for £4,361,171 (expires 16.10.24)	46	0.27	
US\$(13,658,722) Sold for £10,361,967 (expires 16.10.24)	174	1.02	
<b>Total portfolio</b>	<b>16,111</b>	<b>93.91</b>	<b>92.89</b>
<b>Net other assets/(liabilities)</b>	<b>1,045</b>	<b>6.09</b>	<b>7.11</b>
<b>Net assets attributable to shareholders</b>	<b>17,156</b>	<b>100.00</b>	<b>100.00</b>

# Portfolio statement

## Top ten portfolio transactions for the six months to 30 September 2024

Largest purchases	£'000
U.S. Treasury Notes 1.125% 29/02/2028	353
U.S. Treasury Notes 0.5% 31/10/2027	343
Verizon Communications, Inc. 4.78% 15/02/2035	303
Credit Agricole SA 4.125% 07/03/2030	173
Swisscom Finance BV 3.5% 29/11/2031	170
Banca Monte dei Paschi di Siena SpA 3.375% 16/07/2030	168
Parker-Hannifin Corp. 4.2% 21/11/2034	146
U.S. Treasury Bonds 1.125% 15/08/2040	133
Deutsche Bank AG 5.414% 10/05/2029	120
National Australia Bank Ltd. FRN 5.58% 17/06/2026	100
Other purchases	3,806
<b>Total purchases</b>	<b>5,815</b>

Largest sales	£'000
U.S. Treasury Inflation-Indexed Notes 0.375% 15/01/2027	367
Verizon Communications, Inc. 2.1% 22/03/2028	303
Tesco PLC 6.5896% 05/11/2025	215
BPCE SA 6.714% 19/10/2029	207
Svenska Handelsbanken AB 5.5% 15/06/2028	200
A1 Towers Holding GmbH 5.25% 13/07/2028	177
Swedbank AB 5.875% 24/05/2029	164
Swedbank AB 6.136% 12/09/2026	162
NBN Co. Ltd. 5.75% 06/10/2028	161
UBS Group AG 6.327% 22/12/2027	160
Other sales	2,634
<b>Total sales</b>	<b>4,750</b>

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](http://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. Please refer to 'Comparative tables' for the share class launch dates.

Share class	Six months % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+4.5	n/a	n/a	n/a
Class 'A' Accumulation	+4.5	n/a	n/a	n/a
Class 'I' Income	+4.7	n/a	n/a	n/a
Class 'I' Accumulation	+4.7	n/a	n/a	n/a
Class 'L' Income	+4.8	n/a	n/a	n/a
Class 'L' Accumulation	+4.8	n/a	n/a	n/a
Class 'PP' Income	+4.8	n/a	n/a	n/a
Class 'PP' Accumulation	+4.8	n/a	n/a	n/a
Class 'R' Income	+4.6	n/a	n/a	n/a
Class 'R' Accumulation	+4.6	n/a	n/a	n/a
<b>Benchmark</b>	<b>+4.9</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

<sup>a</sup> Not annualised.

## Comparative tables

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

# Financial highlights

## Sterling Class 'A' Income shares

The share class was launched on 18 May 2022.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	19	25	19
Number of shares	19,473	26,817	20,010
Closing NAV per share (UK p)	96.05	93.90	94.49
Operating charges (%)	0.85	0.85	0.85

## Sterling Class 'I' Income shares

The share class was launched on 18 May 2022.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	10	19	19
Number of shares	10,000	20,030	20,030
Closing NAV per share (UK p)	96.97	94.60	94.82
Operating charges (%)	0.45	0.45	0.45

## Sterling Class 'L' Income shares

The share class was launched on 18 May 2022.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	10	19	19
Number of shares	10,000	20,040	20,040
Closing NAV per share (UK p)	97.43	94.96	94.98
Operating charges (%)	0.25	0.25	0.25

## Sterling Class 'PP' Income shares

The share class was launched on 18 May 2022.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	10	19	19
Number of shares	10,000	20,060	20,060
Closing NAV per share (UK p)	97.21	94.78	94.90
Operating charges (%)	0.35	0.35	0.35

## Sterling Class 'A' Accumulation shares

The share class was launched on 18 May 2022.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	124	44	20
Number of shares	115,410	42,695	20,000
Closing NAV per share (UK p)	107.43	102.58	98.24
Operating charges (%)	0.85	0.85	0.85

## Sterling Class 'I' Accumulation shares

The share class was launched on 18 May 2022.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	370	245	46
Number of shares	340,874	236,808	46,173
Closing NAV per share (UK p)	108.45	103.34	98.58
Operating charges (%)	0.45	0.45	0.45

## Sterling Class 'L' Accumulation shares

The share class was launched on 18 May 2022.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	16,403	15,631	14,817
Number of shares	15,054,439	15,068,992	15,005,000
Closing NAV per share (UK p)	108.97	103.73	98.75
Operating charges (%)	0.25	0.25	0.25

## Sterling Class 'PP' Accumulation shares

The share class was launched on 18 May 2022.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	10	21	20
Number of shares	9,000	20,050	20,050
Closing NAV per share (UK p)	108.71	103.53	98.66
Operating charges (%)	0.35	0.35	0.35

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 18 May 2022.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	23	30	24
Number of shares	24,259	32,017	25,080
Closing NAV per share (UK p)	96.40	94.16	94.61
Operating charges (%)	0.70	0.70	0.70

## Sterling Class 'R' Accumulation shares

The share class was launched on 18 May 2022.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	177	154	53
Number of shares	164,575	150,255	53,727
Closing NAV per share (UK p)	107.81	102.86	98.36
Operating charges (%)	0.70	0.70	0.70

# Financial statements and notes

## Financial statements

### Statement of total return

for the six months to 30 September	2024		2023	
	£'000	£'000	£'000	£'000
<b>Income</b>				
Net capital gains/(losses)		454		(624)
Revenue	388		371	
Expenses	(22)		(20)	
Interest payable and similar charges	0		0	
Net revenue/(expense) before taxation	366		351	
Taxation	0		0	
Net revenue/(expense) after taxation		366		351
<b>Total return before distributions</b>		<b>820</b>		<b>(273)</b>
Distributions		(366)		(351)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>454</b>		<b>(624)</b>

### Statement of change in net assets attributable to shareholders

for the six months to 30 September	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>16,207</b>		<b>15,055</b>
Amounts received on issue of shares	330		321	
Amounts paid on cancellation of shares	(200)		0	
		130		321
Dilution adjustments		0		1
Change in net assets attributable to shareholders from investment activities (see above)		454		(624)
Retained distributions on Accumulation shares		365		350
<b>Closing net assets attributable to shareholders</b>		<b>17,156</b>		<b>15,103</b>

The opening net assets attributable to shareholders for 2024 differs to the closing position in 2023 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

# Financial statements and notes

## Financial statements

### Balance sheet

as at	30 September 2024 £'000	31 March 2024 £'000
<b>Assets</b>		
<b>Fixed assets</b>		
Investments	16,122	15,132
<b>Current assets</b>		
Debtors	343	179
Cash and bank balances	1,032	1,049
Cash equivalents	0	12
<b>Total assets</b>	<b>17,497</b>	<b>16,372</b>
<b>Liabilities</b>		
Investment liabilities	(11)	(77)
<b>Creditors</b>		
Distribution payable	(1)	(1)
Other creditors	(329)	(87)
<b>Total liabilities</b>	<b>(341)</b>	<b>(165)</b>
<b>Net assets attributable to shareholders</b>	<b>17,156</b>	<b>16,207</b>

# Financial statements and notes

## Notes to the financial statements

### Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 5.

### 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.

# Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 6 June 2024 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 the Bloomberg MSCI Global HY Corporate ESG BB+ Sustainable SRI Bond Index (USD hedged) over any five-year period while applying ESG criteria and sustainability criteria.

## Investment policy

At least 80% of the fund is invested directly in high yield bonds issued by companies that are domiciled in any country, including emerging markets. These bonds may be denominated in any currency and currency exposure is typically hedged back to US dollar.

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

The fund invests in securities that meet the ESG criteria and sustainability criteria. This is achieved through the use of M&G's proprietary analysis and/or third party ESG information. However, some securities which meet the ESG and sustainability criteria may not provide as good an ESG outcome as others.

The following types of exclusions apply to the fund's direct investments:

- Norms-based exclusions: investments that are assessed to be in breach of commonly accepted standards of behaviour related to human rights, labour rights, environment and anti-corruption.
- Sector-based and/or values-based exclusions: investments and/or sectors exposed to business activities that are assessed to be damaging to human health, societal wellbeing, the environment, or otherwise assessed to be misaligned with the fund's sector-based and/or values-based criteria.

- Other exclusions: investments assessed to be otherwise in conflict with the ESG criteria and sustainability criteria.

References to 'assessed' above mean assessment in accordance with the ESG criteria and sustainability criteria document.

The fund maintains a higher weighted average ESG score and lower weighted average carbon intensity than the global high yield bond market, as represented by the ICE BofA Global High Yield Index (USD Hedged). This index does not constrain the fund's portfolio construction.

Further information on the fund's ESG criteria and sustainability criteria can be found in the ESG criteria and sustainability criteria document as disclosed in the ESG information section below.

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

As explained in the ESG criteria and sustainability criteria document, it may not be practicable to perform ESG analysis on cash, near cash, some derivatives and some collective investment schemes, to the same standards as for the other investments. The fund managers will assess the suitability of such instruments relative to the fund's investment objective.

## Investment approach

The fund is globally diversified and seeks to provide exposure to a broad range of issuers across a variety of sectors.

The fund managers have the flexibility to adjust the fund's credit exposure, sector positioning and regional allocations based on the assessment of current market valuations and the macroeconomic environment.

Individual credit selection based on bottom-up analysis of the global high yield bond markets by in-house credit analysts complements the investment manager's views.

Sustainability considerations are fully integrated into credit analysis and investment decisions, and play an important role in determining the investment universe

# Authorised Corporate Director's Report

and portfolio construction. Sustainability characteristics are assessed as part of the analysis of bond issuers, driving security selection through considering the ESG scores and carbon intensity of the investments made, where this is not detrimental to the pursuit of the investment objective. This process is expected to result in a more sustainable portfolio positively tilted towards more sustainable issuers.

Further information can be found in the ESG criteria and sustainability criteria document.

## ESG Information

Additional information is available to investors on the M&G website:

- ESG criteria and sustainability criteria: in the document titled 'M&G Sustainable Global High Yield Bond Fund – ESG criteria and sustainability criteria' which includes the fund's exclusions approach.
- Periodic reporting that outlines the non-financial outcomes of the fund.

## Benchmark

Bloomberg MSCI Global HY Corporate ESG BB+ Sustainable SRI Bond Index (USD hedged)

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.

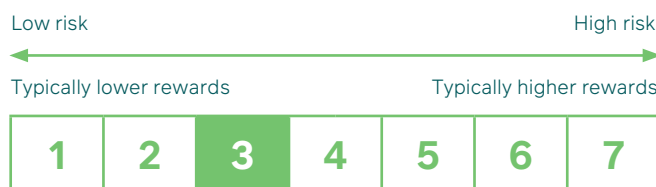
The fund is actively managed. The fund managers have complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents.

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.

The following table shows the risk number associated with the fund and is based on Sterling Class 'A-H' 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 six months ended 30 September 2024

### Performance against objective

Between 1 April 2024 (the start of the review period) and 30 September 2024, the M&G Sustainable Global High Yield Bond Fund delivered a positive total return (the combination of income and growth of capital) across all its share classes. Fund performance was behind the fund's benchmark, the Bloomberg MSCI Global HY Corporate ESG BB+ Sustainable SRI Bond Index, which returned 6.4%.

The fund changed its name, investment objective, investment strategy and benchmark on 10 May 2022. Prior to that date, the fund was named M&G Global High Yield ESG Bond Fund and it aimed to provide a combination of capital growth and income, net of the ongoing charge figure, that is higher than the ICE BofAML Global High Yield Index (USD hedged) over any five-year period.

The fund was launched on 25 February 2020, therefore it is too early to say whether it has met its objective.

After 10 May 2022, the fund changed its name to the M&G Sustainable Global High Yield Bond Fund and its objective became to provide a combination of capital growth and income, net of the ongoing charge figure, that is higher than the Bloomberg MSCI Global HY Corporate ESG BB+ Sustainable SRI Bond Index over any five-year period while applying ESG criteria and sustainability criteria. Fund performance before this date was therefore achieved under different circumstances.

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

### Performance review

The global high yield market demonstrated resilience and recovery over the review period, navigating through various challenges. Although initial volatility and geopolitical tensions were present, high yield bond prices increased due to easing inflation, markets' anticipation of interest rate cuts, and economic

stabilisation. Falling government bond yields and slightly credit tighter spreads – which usually indicate that investors are more relaxed about the health of the economy – contributed to global high yield bonds delivering the best returns towards the end of the period (bond prices and yields move in opposite directions).

In the US, headline inflation reached its lowest level in four years, although the consumer price index increased in August, whereas in the UK, the 12-month headline inflation rate remained steady. Headline inflation in the eurozone continued its downward trend. Subsequently, for the first time in more than four years, both the US Federal Reserve and the Bank of England reduced their benchmark interest rates. The Bank of England initiated the move in August with a modest quarter of a percentage point cut to its key rate. This was followed in September by a more pronounced half of a percentage point decrease from the US Federal Reserve. The European Central Bank also proceeded with a cut to its main interest rate, its second rate cut within the year, following an initial revision that took place in June.

High yield bonds – issued by less creditworthy borrowers than their higher-rated counterparts – outperformed investment grade debt during the period. Prices of high yield bonds are generally driven more by the economic outlook and default risks than by the direction of interest rates.

In addition, high yield credit spreads tightened amid improving economic stability, supported by the monetary easing policy adopted by central banks. The US dollar weakened during the period, especially towards the end, aided by the interest rate cut in the US.

The fund underperformed its benchmark over the period, with yield curve positioning detracting. Credit positioning, especially security selection, positively contributed to relative performance overall. Our holdings in technology and electronics, telecommunications, leisure and transportation were a drag on performance. By contrast, our choices in media,

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health care, consumer goods and real estate contributed positively to performance.

At the issuer level, our main detractors from relative performance were US media firm CCO, airline Spirit IP Cayman, REIT MPT Operating Partnership and French telecommunications company Altice France. On the other hand, Chilean telecommunications company VTR Finance, Czech real estate-focused CPI Property and UK health services firm Voyage Care were the main contributors to relative performance.

## Investment activities

Over the first half of the period, we were active in both the primary and secondary markets, although activities slowed down in August.

Our primary market activity included participating in new deals from Rakuten, Iliad, Volvo Car, Coty, Masterbrand, Concentra Escrow Issuer, Softbank with short-dated bonds, Crown European Holdings, Royal Caribbean, McGraw-Hill Education, Walgreens Boots Alliance, Arcosa, and Wayfair. We also bought into an additional Tier 1 bond from Barclays.

In the secondary market, we invested in the telecommunications and media sector, including Paramount's hybrid as well as some relative value trades. We took profits on a few positions that had performed well, such as in the real estate sector with CPI Property, CityCon, and the Chilean cable provider VTR Comunicaciones. We also bought bonds from Windstream and disposed of TI Automotive Finance, a bond issued by UK auto parts business. We sold our positions in Liquid Telecommunications and Cellnex and added exposure to Telefonica and iHeartCommunications. We continued to trim our exposure to carmaker Ford Motor, which has now been upgraded back to investment grade. Our sales during the period also included the European food technology company Selecta, the American media company Tegna, the global food packaging specialist Huhtamaki, the Canadian telecommunications provider Videotron, the American provider of environmental and industrial services Clean Harbors, and the hybrid bonds from Rogers Communications. We sold Softbank's longer-

dated bonds as we prefer shorter-dated exposure and reduced our Additional Tier 1 (AT1) exposure by selling some Deutsche Bank bonds.

## Outlook

With all-in yields still elevated, the market is still in relative equilibrium. Importantly, the broader market continues to shrink with issuers seeking capital from leveraged loans and private credit or being upgraded to investment grade. This, coupled with the income-generating nature of the asset class and historically low levels of new issuance, creates a supply/demand imbalance that helps to contain credit spreads.

High yield spread levels are less exciting but, given still high all-in-yields, we see potential for the asset class to generate positive returns this year and going forward – thanks to the power of carry (which is the difference in yield between a high yield bond and that of a lower yield bond in the same sector and denominated in the same currency), expected low defaults and resilient corporate balance sheets.

We prefer to keep some cash in order to add risk when opportunities arise.

## Stefan Isaacs and Lu Yu

### Co-fund managers

Employees of M&G FA Limited which is an associate of M&G Securities Limited. Please note that effective from 1 August 2024, Stefan Isaacs replaced James Tomlins as co-fund manager.

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 30.09.24 \$'000	as at 30.09.24 %	as at 31.03.24 %
<b>Equities</b>	<b>3</b>	<b>0.01</b>	<b>0.00</b>
<b>Personal care, drug &amp; grocery stores</b>	<b>2</b>	<b>0.01</b>	<b>0.00</b>
656 Casino Guichard Perrachon SA	2	0.01	
65,555 Casino Guichard Perrachon SA Warrants 27/04/2029	0	0.00	
<b>Real estate investment &amp; services</b>	<b>1</b>	<b>0.00</b>	<b>0.00</b>
3,877 ADLER Group SA	1	0.00	
<b>Debt securities</b>	<b>35,185</b>	<b>94.01</b>	<b>94.74</b>
<b>Corporate bonds</b>	<b>35,185</b>	<b>94.01</b>	<b>94.74</b>
<b>Investment grade corporate bonds</b>	<b>1,065</b>	<b>2.85</b>	<b>8.25</b>
US\$400,000 European Investment Bank 0.375% 26/03/2026	380	1.01	
US\$400,000 European Investment Bank 1.625% 14/03/2025	395	1.06	
US\$100,000 LPL Holdings, Inc. 4% 15/03/2029	96	0.26	
US\$200,000 PRA Health Sciences, Inc. 2.875% 15/07/2026	194	0.52	
<b>Below investment grade corporate bonds</b>	<b>34,089</b>	<b>91.08</b>	<b>86.49</b>
US\$100,000 1011778 BC ULC/New Red Finance, Inc. 3.875% 15/01/2028	96	0.26	
US\$200,000 1011778 BC ULC/New Red Finance, Inc. 4% 15/10/2030	184	0.49	
€200,000 ABN AMRO Bank NV Var 4.75% Perpetual	216	0.58	
US\$350,000 AdaptHealth LLC 5.125% 01/03/2030	326	0.87	
€100,000 Adler Financing SARL 12.5% 31/12/2028	116	0.31	
US\$200,000 ADT Security Corp. 4.125% 01/08/2029	191	0.51	
€112,000 Amber Finco PLC 6.625% 15/07/2029	131	0.35	
US\$400,000 American Airlines, Inc. 7.25% 15/02/2028	409	1.09	
€197,000 ams-OSRAM AG 10.5% 30/03/2029	227	0.61	
US\$91,000 Arcosa, Inc. 6.875% 15/08/2032	95	0.25	
US\$350,000 Ardagh Metal Packaging Finance USA LLC/Ardagh Metal Packaging Finance PLC 4% 01/09/2029	310	0.83	
£294,000 Aston Martin Capital Holdings Ltd. 10.375% 31/03/2029	392	1.05	
€200,000 Avantor Funding, Inc. 3.875% 15/07/2028	223	0.60	
£100,000 B&M European Value Retail SA 4% 15/11/2028	125	0.33	
£250,000 Barclays PLC Var 8.5% Perpetual	347	0.93	
US\$100,000 Bath & Body Works, Inc. 5.25% 01/02/2028	100	0.27	
US\$200,000 Bath & Body Works, Inc. 6.75% 01/07/2036	206	0.55	
US\$200,000 Bausch Health Cos., Inc. 4.875% 01/06/2028	157	0.42	
€200,000 Belden, Inc. 3.375% 15/07/2031	211	0.56	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 \$'000	as at 30.09.24 %	as at 31.03.24 %
<b>Debt securities (continued)</b>			
<b>Corporate bonds (continued)</b>			
<b>Below investment grade corporate bonds (continued)</b>			
US\$140,000	Berry Global, Inc. 4.875% 15/07/2026	140	0.37
£200,000	Boost Newco Borrower LLC/GTCR W Dutch Finance Sub BV 8.5% 15/01/2031	290	0.77
€143,000	British Telecommunications PLC Var 5.125% 03/10/2054	164	0.44
£200,000	British Telecommunications PLC Var 8.375% 20/12/2083	289	0.77
US\$400,000	CCO Holdings LLC/CCO Holdings Capital Corp. 4.25% 01/02/2031	352	0.94
US\$100,000	CCO Holdings LLC/CCO Holdings Capital Corp. 4.5% 01/05/2032	86	0.23
US\$400,000	CCO Holdings LLC/CCO Holdings Capital Corp. 5.125% 01/05/2027	392	1.05
US\$200,000	CCO Holdings LLC/CCO Holdings Capital Corp. 5.5% 01/05/2026	199	0.53
US\$300,000	Cemex SAB de CV Var 5.125% Perpetual	295	0.79
US\$200,000	Charter Communications Operating LLC/Charter Communications Operating Capital 6.384% 23/10/2035	204	0.54
US\$480,000	CHS/Community Health Systems, Inc. 4.75% 15/02/2031	422	1.13
US\$100,000	CHS/Community Health Systems, Inc. 6.875% 15/04/2029	91	0.24
€200,000	Commerzbank AG Var 6.125% Perpetual	224	0.60
US\$44,000	Concentra Escrow Issuer Corp. 6.875% 15/07/2032	46	0.12
US\$200,000	Coty, Inc./HFC Prestige Products, Inc./HFC Prestige International U.S. LLC 6.625% 15/07/2030	207	0.55
€200,000	CPI Property Group SA Var 4.875% Perpetual	195	0.52
£200,000	CPUK Finance Ltd. 6.5% 28/08/2026	266	0.71
US\$100,000	Crowdstrike Holdings, Inc. 3% 15/02/2029	93	0.25
US\$300,000	Crown Americas LLC/Crown Americas Capital Corp. V 4.25% 30/09/2026	295	0.79
€160,000	Crown European Holdings SACA 4.5% 15/01/2030	183	0.49
US\$200,000	CSC Holdings LLC 4.5% 15/11/2031	146	0.39
US\$200,000	CSC Holdings LLC 5.5% 15/04/2027	164	0.44
US\$500,000	CSC Holdings LLC 5.75% 15/01/2030	257	0.69
€100,000	Cullinan Holdco SCSp 4.625% 15/10/2026	98	0.26
€200,000	Dana Financing Luxembourg SARL 3% 15/07/2029	197	0.53

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 \$'000	as at 30.09.24 %	as at 31.03.24 %
<b>Debt securities (continued)</b>			
<b>Corporate bonds (continued)</b>			
<b>Below investment grade corporate bonds (continued)</b>			
US\$200,000 Darling Ingredients, Inc. 6% 15/06/2030	202	0.54	
€116,000 Derichebourg SA 2.25% 15/07/2028	123	0.33	
£200,000 Deuce Finco PLC 5.5% 15/06/2027	263	0.70	
US\$200,000 Domtar Corp. 6.75% 01/10/2028	182	0.49	
€100,000 Eramet SA 6.5% 30/11/2029	112	0.30	
€200,000 Eramet SA 7% 22/05/2028	228	0.61	
€300,000 Eurofins Scientific SE Var 3.25% Perpetual	327	0.87	
€200,000 Flos B&b Italia SpA 10% 15/11/2028	240	0.64	
US\$365,000 Frontier Communications Holdings LLC 6.75% 01/05/2029	367	0.98	
US\$100,000 Frontier Communications Holdings LLC 8.625% 15/03/2031	108	0.29	
US\$450,000 Glatfelter Corp. 4.75% 15/11/2029	400	1.07	
US\$115,000 GN Bondco LLC 9.5% 15/10/2031	121	0.32	
US\$300,000 Gray Television, Inc. 10.5% 15/07/2029	312	0.83	
US\$200,000 Greenko Solar Mauritius Ltd. 5.55% 29/01/2025	199	0.53	
€100,000 Grifols SA 2.25% 15/11/2027	107	0.29	
€100,000 Grifols SA 3.875% 15/10/2028	103	0.28	
US\$200,000 H&E Equipment Services, Inc. 3.875% 15/12/2028	187	0.50	
US\$210,000 Hanesbrands, Inc. 4.875% 15/05/2026	208	0.56	
£200,000 Heathrow Finance PLC 3.875% 01/03/2027	254	0.68	
£119,000 Heathrow Finance PLC 6.625% 01/03/2031	159	0.42	
US\$141,000 iHeartCommunications, Inc. 4.75% 15/01/2028	90	0.24	
€150,000 Iliad Holding SASU 5.125% 15/10/2026	169	0.45	
€100,000 Iliad Holding SASU 6.875% 15/04/2031	119	0.32	
€200,000 Infrastrutture Wireless Italiane SpA 1.875% 08/07/2026	218	0.58	
€200,000 Intesa Sanpaolo SpA Var 9.125% Perpetual	253	0.68	
€250,000 Intrum AB 3.5% 15/07/2026	210	0.56	
€200,000 IPD 3 BV 8% 15/06/2028	237	0.63	
US\$200,000 IQVIA, Inc. 6.5% 15/05/2030	208	0.56	
US\$100,000 Iron Mountain, Inc. 5.25% 15/07/2030	99	0.26	
US\$275,000 Iron Mountain, Inc. 7% 15/02/2029	286	0.76	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 \$'000	as at 30.09.24 %	as at 31.03.24 %
<b>Debt securities (continued)</b>			
<b>Corporate bonds (continued)</b>			
<b>Below investment grade corporate bonds (continued)</b>			
US\$250,000	Jaguar Land Rover Automotive PLC 4.5% 01/10/2027	244	0.65
US\$200,000	Jazz Securities DAC 4.375% 15/01/2029	193	0.52
€225,000	Kaixo Bondco Telecom SA 5.125% 30/09/2029	251	0.67
US\$150,000	KB Home 4.8% 15/11/2029	148	0.40
US\$400,000	Kohl's Corp. 4.625% 01/05/2031	336	0.90
US\$200,000	KUO SAB de CV 5.75% 07/07/2027	196	0.52
€200,000	Levi Strauss & Co. 3.375% 15/03/2027	222	0.59
US\$150,000	Levi Strauss & Co. 3.5% 01/03/2031	135	0.36
€200,000	Lloyds Banking Group PLC Var 4.947% Perpetual	223	0.60
US\$100,000	Macy's Retail Holdings LLC 5.875% 15/03/2030	97	0.26
US\$43,000	Masterbrand, Inc. 7% 15/07/2032	45	0.12
US\$100,000	McGraw-Hill Education, Inc. 5.75% 01/08/2028	98	0.26
US\$95,000	McGraw-Hill Education, Inc. 7.375% 01/09/2031	98	0.26
US\$100,000	McGraw-Hill Education, Inc. 8% 01/08/2029	100	0.27
US\$200,000	Medline Borrower LP 3.875% 01/04/2029	189	0.50
US\$200,000	Meritage Homes Corp. 3.875% 15/04/2029	191	0.51
US\$400,000	Millicom International Cellular SA 4.5% 27/04/2031	358	0.96
€200,000	MPT Operating Partnership LP/MPT Finance Corp. 3.325% 24/03/2025	217	0.58
US\$400,000	NCR Voyix Corp. 5% 01/10/2028	392	1.05
US\$300,000	Network i2i Ltd. Var 3.975% Perpetual	290	0.77
US\$300,000	Newell Brands, Inc. 4.875% 01/06/2025	297	0.79
€100,000	Novo Banco SA Var 9.875% 01/12/2033	130	0.35
£246,000	Ocado Group PLC 3.875% 08/10/2026	309	0.83
€300,000	Odido Group Holding BV 5.5% 15/01/2030	327	0.87
€100,000	Opmobility 4.875% 13/03/2029	111	0.30
US\$200,000	Organon & Co./Organon Foreign Debt Co-Issuer BV 4.125% 30/04/2028	192	0.51
US\$300,000	Owens & Minor, Inc. 4.5% 31/03/2029	270	0.72
US\$100,000	Owens-Brockway Glass Container, Inc. 6.625% 13/05/2027	100	0.27
US\$100,000	Owens-Brockway Glass Container, Inc. 7.25% 15/05/2031	102	0.27

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 \$'000	as at 30.09.24 %	as at 31.03.24 %
<b>Debt securities (continued)</b>			
<b>Corporate bonds (continued)</b>			
<b>Below investment grade corporate bonds (continued)</b>			
US\$450,000	Paramount Global Var 6.375% 30/03/2062	411	1.10
£250,000	Pinewood Finco PLC 6% 27/03/2030	336	0.90
US\$200,000	Post Holdings, Inc. 6.25% 15/02/2032	205	0.55
£100,000	Premier Foods Finance PLC 3.5% 15/10/2026	131	0.35
US\$200,000	Prestige Brands, Inc. 3.75% 01/04/2031	182	0.49
US\$250,000	Rakuten Group, Inc. 9.75% 15/04/2029	273	0.73
US\$200,000	Rakuten Group, Inc. 11.25% 15/02/2027	219	0.58
€133,000	RAY Financing LLC 6.5% 15/07/2031	152	0.41
US\$200,000	Rede D'or Finance SARL 4.95% 17/01/2028	197	0.53
€200,000	Rexel SA 2.125% 15/12/2028	211	0.56
US\$400,000	Royal Caribbean Cruises Ltd. 5.375% 15/07/2027	403	1.08
US\$33,000	Royal Caribbean Cruises Ltd. 6% 01/02/2033	34	0.09
€300,000	Sappi Papier Holding GmbH 3.625% 15/03/2028	328	0.88
€200,000	Schaeffler AG 2.75% 12/10/2025	221	0.59
US\$270,000	Sealed Air Corp./Sealed Air Corp. U.S. 6.125% 01/02/2028	274	0.73
US\$40,000	Service Corp. International 5.75% 15/10/2032	40	0.11
€171,255	Sigma Holdco BV 5.75% 15/05/2026	189	0.50
US\$300,000	Sirius XM Radio, Inc. 4.125% 01/07/2030	272	0.73
US\$141,000	Sirius XM Radio, Inc. 5% 01/08/2027	139	0.37
€200,000	SoftBank Group Corp. 5.375% 08/01/2029	227	0.61
US\$200,000	Spirit Loyalty Cayman Ltd./Spirit IP Cayman Ltd. 8% 20/09/2025	111	0.30
US\$300,000	Stagwell Global LLC 5.625% 15/08/2029	291	0.78
US\$100,000	Star Parent, Inc. 9% 01/10/2030	107	0.29
US\$162,000	Sunnova Energy Corp. 11.75% 01/10/2028	154	0.41
€200,000	Telefonica Europe BV Var 5.7522% Perpetual	234	0.63
US\$600,000	Tenet Healthcare Corp. 4.625% 15/06/2028	587	1.57
€100,000	Teva Pharmaceutical Finance Netherlands II BV 1.625% 15/10/2028	101	0.27
US\$200,000	Teva Pharmaceutical Finance Netherlands III BV 3.15% 01/10/2026	192	0.51

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 \$'000	as at 30.09.24 %	as at 31.03.24 %
<b>Debt securities (continued)</b>			
<b>Corporate bonds (continued)</b>			
<b>Below investment grade corporate bonds (continued)</b>			
US\$400,000	Teva Pharmaceutical Finance Netherlands III BV 7.875% 15/09/2029	441	1.18
€200,000	TI Automotive Finance PLC 3.75% 15/04/2029	214	0.57
US\$400,000	Triton Water Holdings, Inc. 6.25% 01/04/2029	399	1.07
€200,000	Trivium Packaging Finance BV 3.75% 15/08/2026	222	0.59
US\$200,000	U.S. Foods, Inc. 4.75% 15/02/2029	195	0.52
€200,000	UniCredit SpA Var 7.5% Perpetual	230	0.61
US\$175,000	United Airlines, Inc. 4.375% 15/04/2026	172	0.46
US\$100,000	United Airlines, Inc. 4.625% 15/04/2029	96	0.26
US\$250,000	United Rentals North America, Inc. 6.125% 15/03/2034	258	0.69
US\$300,000	Uniti Group LP/Uniti Group Finance, Inc./CSL Capital LLC 6.5% 15/02/2029	259	0.69
€200,000	Verisure Midholding AB 5.25% 15/02/2029	221	0.59
US\$150,000	Vertiv Group Corp. 4.125% 15/11/2028	144	0.38
£100,000	Virgin Media Secured Finance PLC 4.125% 15/08/2030	116	0.31
£200,000	Virgin Media Vendor Financing Notes III DAC 4.875% 15/07/2028	248	0.66
€200,000	Vodafone Group PLC Var 2.625% 27/08/2080	218	0.58
US\$200,000	Vodafone Group PLC Var 7% 04/04/2079	210	0.56
€140,000	Volvo Car AB 4.75% 08/05/2030	158	0.42
£200,000	Voyage Care BondCo PLC 5.875% 15/02/2027	250	0.67
US\$200,000	VTR Comunicaciones SpA 4.375% 15/04/2029	171	0.46
US\$450,000	VTR Finance NV 6.375% 15/07/2028	409	1.09
US\$92,000	Walgreens Boots Alliance, Inc. 8.125% 15/08/2029	92	0.25
US\$27,000	Wayfair LLC 7.25% 31/10/2029	28	0.07
US\$400,000	WE Soda Investments Holding PLC 9.375% 14/02/2031	415	1.11
US\$300,000	Windstream Escrow LLC/Windstream Escrow Finance Corp. 7.75% 15/08/2028	300	0.80
€200,000	WMG Acquisition Corp. 2.25% 15/08/2031	203	0.54
US\$300,000	Yum! Brands, Inc. 5.375% 01/04/2032	298	0.80
US\$200,000	Yuzhou Group Holdings Co. Ltd. 0% 27/05/2025 <sup>a</sup>	13	0.03
US\$200,000	Yuzhou Group Holdings Co. Ltd. 0% 12/08/2026 <sup>a</sup>	12	0.03



# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 \$'000	as at 30.09.24 %	as at 31.03.24 %
<b>Debt securities (continued)</b>			
<b>Corporate bonds (continued)</b>			
<b>Below investment grade corporate bonds (continued)</b>			
US\$200,000 Yuzhou Group Holdings Co. Ltd. 0% 13/01/2027 <sup>a</sup>	13	0.03	
US\$600,000 Ziggo Bond Co. BV 5.125% 28/02/2030	554	1.48	
<b>Corporate bonds with no credit rating</b>	<b>31</b>	<b>0.08</b>	<b>0.00</b>
€107,200 Titanium 2I Bondco SARL 6.25% 14/01/2031	31	0.08	
<b>Debt derivatives</b>	<b>4</b>	<b>0.01</b>	<b>(0.01)</b>
<b>Interest rate futures</b>	<b>4</b>	<b>0.01</b>	<b>(0.01)</b>
28 CBOT 5 Year U.S. Treasury Notes Futures Dec 2024	17	0.04	
5 CBOT 10 Year U.S. Treasury Notes Futures Dec 2024	3	0.01	
(12) Eurex 5 Year Euro BOBL Futures Dec 2024	(16)	(0.04)	
<b>Currency</b>	<b>(118)</b>	<b>(0.32)</b>	<b>0.26</b>
<b>Forward currency contracts</b>	<b>(118)</b>	<b>(0.32)</b>	<b>0.26</b>
€657,819 Bought for US\$733,821 (expires 16.10.24)	3	0.01	
€(9,112,267) Sold for US\$10,145,206 (expires 16.10.24)	(57)	(0.16)	
£(2,887,324) Sold for US\$3,807,529 (expires 16.10.24)	(64)	(0.17)	
<b>Portfolio of investments</b>	<b>35,074</b>	<b>93.71</b>	<b>94.99</b>
<b>Share class hedging</b>	<b>881</b>	<b>2.35</b>	<b>(0.21)</b>
<b>Forward currency contracts for share class hedging</b>	<b>881</b>	<b>2.35</b>	<b>(0.21)</b>
£28,193,655 Bought for US\$36,909,363 (expires 09.10.24)	888	2.37	
£(373,889) Sold for US\$494,026 (expires 09.10.24)	(7)	(0.02)	
<b>Total portfolio</b>	<b>35,955</b>	<b>96.06</b>	<b>94.78</b>
<b>Net other assets/(liabilities)</b>	<b>1,473</b>	<b>3.94</b>	<b>5.22</b>
<b>Net assets attributable to shareholders</b>	<b>37,428</b>	<b>100.00</b>	<b>100.00</b>

<sup>a</sup> Defaulted bond.

# Portfolio statement

## Top ten portfolio transactions for the six months to 30 September 2024

Largest purchases	\$'000
Frontier Communications Holdings LLC 6.75% 01/05/2029	319
Barclays PLC 8.5% 15/06/2030	312
Windstream Escrow LLC/Windstream Escrow Finance Corp. 7.75% 15/08/2028	299
Gray Television, Inc. 10.5% 15/07/2029	299
Telecom Italia SpA 7.875% 31/07/2028	284
Ardagh Metal Packaging Finance USA LLC/Ardagh Metal Packaging Finance PLC 4% 01/09/2029	284
U.S. Foods, Inc. 4.75% 15/02/2029	278
Uniti Group LP/Uniti Group Finance, Inc./CSL Capital LLC 6.5% 15/02/2029	263
Rakuten Group, Inc. 9.75% 15/04/2029	249
Kaixo Bondco Telecom SA 5.125% 30/09/2029	244
Other purchases	6,075
<b>Total purchases</b>	<b>8,906</b>

Largest sales	\$'000
Telecom Italia SpA 5.303% 30/05/2024	600
Ford Motor Co. 6.1% 19/08/2032	592
European Investment Bank 0.375% 26/03/2026	552
European Investment Bank 1.625% 14/03/2025	486
Telecom Italia SpA 7.875% 31/07/2028	482
KBC Group NV 4.25% 24/10/2025	435
Banco Bilbao Vizcaya Argentaria SA 6% 29/03/2024	429
Deutsche Bank AG 4% 24/06/2032	425
Barclays PLC 8% 15/06/2024	400
Goodyear Europe BV 2.75% 15/08/2028	389
Other sales	16,278
<b>Total sales</b>	<b>21,068</b>

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](http://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. Please refer to 'Comparative tables' for the share class launch dates.

Share class	Six months % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A-H' Income	+5.9	+1.0	n/a	n/a
Class 'A-H' Accumulation	+5.9	+0.9	n/a	n/a
Class 'I-H' Income	+6.1	+1.3	n/a	n/a
Class 'I-H' Accumulation	+6.2	+1.3	n/a	n/a
Class 'L-H' Accumulation	+6.3	+1.5	n/a	n/a
Class 'PP-H' Income	+6.2	+1.4	n/a	n/a
Class 'PP-H' Accumulation	+5.7	+1.3	n/a	n/a
Class 'R-H' Income	+6.0	+1.1	n/a	n/a
Class 'R-H' Accumulation	+6.0	+1.1	n/a	n/a
<b>Benchmark</b>	<b>+6.4</b>	<b>+1.2</b>	<b>n/a</b>	<b>n/a</b>

<sup>a</sup> Not annualised.

## Comparative tables

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

# Financial highlights

## Sterling Class 'A-H' Income shares

The share class was launched on 25 February 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	156	100	89
Number of shares	140,144	98,578	92,402
Closing NAV per share (UK p)	83.09	80.69	78.01
Operating charges (%)	1.03	1.03	1.03

## Sterling Class 'A-H' Accumulation shares

The share class was launched on 25 February 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	103	95	93
Number of shares	73,098	76,279	83,998
Closing NAV per share (UK p)	104.66	98.41	89.80
Operating charges (%)	1.03	1.03	1.03

## Sterling Class 'I-H' Income shares

The share class was launched on 25 February 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	4,386	3,233	6,188
Number of shares	3,865,397	3,124,311	6,331,938
Closing NAV per share (UK p)	84.63	82.03	78.96
Operating charges (%)	0.63	0.63	0.63

## Sterling Class 'I-H' Accumulation shares

The share class was launched on 25 February 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	10,079	10,812	9,254
Number of shares	7,033,160	8,547,589	8,192,059
Closing NAV per share (UK p)	106.90	100.29	91.28
Operating charges (%)	0.63	0.63	0.63

## Sterling Class 'L-H' Accumulation shares

The share class was launched on 25 February 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	21,638	19,093	17,010
Number of shares	15,016,500	15,028,383	15,020,792
Closing NAV per share (UK p)	107.48	100.73	91.51
Operating charges (%)	0.43	0.43	0.43

## Sterling Class 'PP-H' Income shares

The share class was launched on 25 February 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	646	537	929
Number of shares	566,789	517,377	948,853
Closing NAV per share (UK p)	85.03	82.33	79.14
Operating charges (%)	0.53	0.53	0.53

## Sterling Class 'PP-H' Accumulation shares

The share class was launched on 25 February 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	0	12,631	5,230
Number of shares	39	9,949,684	4,624,577
Closing NAV per share (UK p)	106.78	100.65	91.38
Operating charges (%)	0.53	0.53	0.53

# Financial highlights

## Sterling Class 'R-H' Income shares

The share class was launched on 25 February 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	167	1,041	79
Number of shares	149,143	1,016,195	80,928
Closing NAV per share (UK p)	83.74	81.23	78.36
Operating charges (%)	0.88	0.88	0.88

## Sterling Class 'R-H' Accumulation shares

The share class was launched on 25 February 2020.

	30.09.24	31.03.24	31.03.23
Closing NAV (\$'000)	253	235	179
Number of shares	178,567	187,489	160,413
Closing NAV per share (UK p)	105.47	99.10	90.27
Operating charges (%)	0.88	0.88	0.88

# Financial statements and notes

## Financial statements

### Statement of total return

for the six months to 30 September	2024		2023	
	\$'000	\$'000	\$'000	\$'000
<b>Income</b>				
Net capital gains/(losses)		3,737		(1,048)
Revenue	1,386		1,198	
Expenses	(112)		(117)	
Interest payable and similar charges	0		0	
Net revenue/(expense) before taxation	1,274		1,081	
Taxation	0		0	
Net revenue/(expense) after taxation		1,274		1,081
<b>Total return before distributions</b>		<b>5,011</b>		<b>33</b>
Distributions		(1,290)		(1,108)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>3,721</b>		<b>(1,075)</b>

### Statement of change in net assets attributable to shareholders

for the six months to 30 September	2024		2023	
	\$'000	\$'000	\$'000	\$'000
<b>Opening net assets attributable to shareholders</b>		<b>47,777</b>		<b>39,051</b>
Amounts received on issue of shares	3,753		8,300	
Amounts paid on cancellation of shares	(18,873)		(2,344)	
		(15,120)		5,956
Dilution adjustments		69		28
Change in net assets attributable to shareholders from investment activities (see above)		3,721		(1,075)
Retained distributions on Accumulation shares		981		899
<b>Closing net assets attributable to shareholders</b>		<b>37,428</b>		<b>44,859</b>

The opening net assets attributable to shareholders for 2024 differs to the closing position in 2023 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

# Financial statements and notes

## Financial statements

### Balance sheet

as at	30 September 2024 \$'000	31 March 2024 \$'000
<b>Assets</b>		
<b>Fixed assets</b>		
Investments	36,099	45,398
<b>Current assets</b>		
Debtors	557	2,173
Cash and bank balances	1,092	1,552
<b>Total assets</b>	<b>37,748</b>	<b>49,123</b>
<b>Liabilities</b>		
Investment liabilities	(144)	(113)
<b>Creditors</b>		
Distribution payable	(88)	(72)
Other creditors	(88)	(1,161)
<b>Total liabilities</b>	<b>(320)</b>	<b>(1,346)</b>
<b>Net assets attributable to shareholders</b>	<b>37,428</b>	<b>47,777</b>

# Financial statements and notes

## Notes to the financial statements

### Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 5.

### 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.



# Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 6 June 2024 has been used.

## Investment objective

The fund aims to protect the value of capital and income from inflation by providing a total return (the combination of capital growth and income), net of the ongoing charge figure, that is consistent with or higher than UK inflation (as measured by the UK Consumer Prices Index), over any three-year period. There is no guarantee that the fund will achieve its objective over this, or any other, period. The income distributions and the value of your investment may rise and fall, and investors may not recoup the original amount they invested.

## Investment policy

At least 70% of the fund is invested, directly or indirectly, in investment grade corporate debt securities (typically inflation-linked corporate bonds and floating rate notes), denominated in sterling or hedged back to sterling. These securities can be issued by companies from anywhere in the world, including emerging markets.

The fund's indirect exposure to inflation-linked corporate bonds is achieved by investing through a combination of instruments. These include a combination of inflation-linked government bonds with credit derivatives, such as credit default swaps (CDS) to create synthetic positions.

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

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

## Investment approach

The fund typically seeks to maintain a low sensitivity to movements in interest rates to help mitigate the

negative impact of rising bond yields which are common during periods of rising inflation.

The fund managers believe that 'synthetic' inflation-linked corporate bonds can offer a similar return profile to physical inflation-linked corporate bonds while benefiting from enhanced market depth and liquidity.

The fund's investment style combines top-down and bottom-up analysis, and the fund managers are assisted in the selection of individual bonds by a team of credit analysts.

## Benchmark

UK Consumer Prices 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 managers have complete freedom in choosing which investments to buy, hold and sell in the fund.

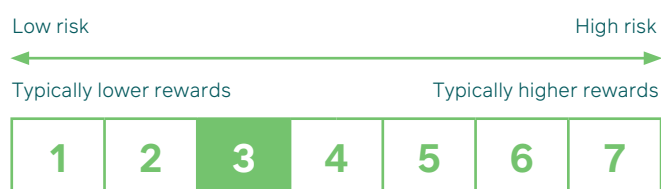
For each share class the benchmark will be denominated or hedged into the relevant share class currency. The benchmark for each share class will be shown in its respective KIID.

# Authorised Corporate Director's Report

## Risk profile

For details of the risks associated with this fund, please refer to the Prospectus.

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.

## Investment review

For the six months ended 30 September 2024

### Performance against objective

Between 1 April 2024 (the start of the review period) and 30 September 2024, the M&G UK Inflation Linked Corporate Bond Fund generated positive returns (the combination of income and capital growth) across all its share classes.

The fund aims to protect the value of capital and income from inflation by providing combined income and capital growth, net of the ongoing charge figure, that is consistent with or higher than UK inflation (as measured by the UK Consumer Prices Index), over any three years. Over three years, fund returns were behind the UK Consumer Prices Index, which stood at 6.3% pa. The fund has therefore not met its objective.

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

### Performance review

In the review period, softening inflation alongside a shift towards a more accommodating monetary policy and a growing economy collectively created a supportive environment for fixed income investments.

Yields were higher at the beginning of the review period as investors were worried about stickier-than-expected inflation. Markets also started to doubt that the Bank of England (BoE) could deliver a full interest rate reduction cycle without the US Federal Reserve reducing as well. However, in June yields started to decline on the back of easing inflation data. The UK's Consumer Price Index (CPI) inflation rate remained steady in July and August at 2.2%, just above the BoE's target. The BoE lowered interest rates in August as inflationary pressures had 'eased enough,' according to Governor Andrew Bailey.

The beginning of the central bank rate cutting cycle pushed down government bond yields and raised their prices (the two move inversely).

The BoE held its base rate in September (after one cut in August), the month when the US Federal Reserve delivered its first cut since March 2020. Government bonds performed well as the global monetary easing cycle gained momentum. Gilts (UK government bonds) generated positive returns during the period, but underperformed their US and European counterparts. Short-dated gilts performed better than long-dated gilts benefiting the most from rate cuts.

Investment grade corporate bonds in the UK market underperformed the US and European markets.

Against this backdrop, the fund delivered a positive overall return during the review period as inflation eased. The fund's long duration and yield curve positioning was a key driver of performance during the period, specifically in sterling inflation-linked government bonds. Interest rate swaps were a very slight drag on performance. Inflation impact was also positive for the fund as inflation eased during the period. Credit (as corporate bonds are also known) was a marginal contributor to performance through our short CDS (credit default swap) index position (we were

# Authorised Corporate Director's Report

selling protection from defaults, therefore getting an exposure to credit spread), and nominal positions in sterling, euro and US dollar denominated assets. GBP inflation-linked credit was a detractor, but overall credit contribution was positive.

## Investment activities

At the beginning of the review period, with the risk of a slowdown and with inflation seeming to be decreasing, we maintained our belief that most of the opportunity for us in the fund remains in duration. We saw good value in government bond yields at these levels. However, by the end of the period, we lowered the fund's duration, taking some profits after the rally in yields in July and August. We trimmed duration mainly by closing out US duration longs in two-year and five-year bonds. The fund ended the period with a duration of around three years.

Anticipating possible volatility ahead, we began reducing credit risk at the beginning of the period. We only added one new issue, Boeing, in April, which we subsequently sold in July. We bought some of the Severn Trent inflation-linked bonds maturing in 2028, financing the purchase by selling 2024 inflation-linked gilts. In August, we exchanged some Thames Water bonds maturing in 2028 and 2031 for ones maturing in 2025, given the current challenges at the company, which we believe may take time to resolve. We sold the remainder of our Thames Water 2031 exposure in September. We maintained a cautious credit position throughout and credit spread duration (a measure of the fund's sensitivity to changes in credit spreads) remained light, ending the period at around 2.0 years.

## Outlook

Inflation is on a downward path, and we anticipate a further slowdown as the economy continues to decelerate, with monetary policy remaining in restrictive territory. There is a possibility of deflation during this cycle if central banks are too slow to cut rates.

Nonetheless, there are still possible upside risks to inflation. Therefore, we closely monitor this and retain a decent bit of inflation exposure. Moreover, with monetary policy remaining restrictive, we expect the

economy to slow, and as central banks begin to reduce rates, this should lead to a normalising of the yield curve – yields of bonds with longer maturities being greater than those of bonds with shorter maturities. This is the primary theme that our fund is positioned to capitalise on.

## Ben Lord and Matthew Russell

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 30.09.24 £'000	as at 30.09.24 %	as at 31.03.24 %
<b>Fixed income</b>	<b>759,495</b>	<b>95.45</b>	<b>97.32</b>
<b>Debt securities</b>	<b>761,630</b>	<b>95.72</b>	<b>97.62</b>
<b>'AAA' credit rated bonds</b>	<b>14,226</b>	<b>1.79</b>	<b>1.81</b>
€5,500,000 Bundesrepublik Deutschland Bundesanleihe 0.5% 15/02/2026	4,487	0.56	
£2,734,334 European Investment Bank 2.9516% 31/03/2034	6,454	0.81	
£282,288 Gemgarto PLC FRN 5.5700% 16/12/2067	282	0.04	
£2,999,469 Polaris PLC FRN 5.7594% 23/10/2059	3,003	0.38	
<b>'AA' credit rated bonds</b>	<b>457,916</b>	<b>57.55</b>	<b>55.84</b>
£9,714 Baglan Moor Healthcare PLC 3.92% 30/04/2029	23	0.00	
€1,800,000 Banque Federative du Credit Mutuel SA 3.125% 14/09/2027	1,512	0.19	
US\$5,000,000 Banque Federative du Credit Mutuel SA 4.753% 13/07/2027	3,776	0.47	
£3,333,000 DNB Bank ASA Var 1.375% 02/12/2025	3,307	0.42	
£6,660,000 Metropolitan Life Global Funding I 5% 10/01/2030	6,772	0.85	
£138,750,604 U.K. Inflation-Linked Gilts 0.125% 22/03/2026	206,587	25.96	
£50,000 U.K. Inflation-Linked Gilts 0.125% 10/08/2028	69	0.01	
£12,775,000 U.K. Inflation-Linked Gilts 0.125% 22/03/2029	20,739	2.61	
£50,000 U.K. Inflation-Linked Gilts 0.125% 10/08/2031	65	0.01	
£90,000,000 U.K. Inflation-Linked Gilts 1.25% 22/11/2027	185,820	23.35	
£500,000 U.K. Inflation-Linked Gilts 4.125% 22/07/2030	1,727	0.22	
US\$22,500,000 U.S. Treasury Inflation-Indexed Notes 0.375% 15/01/2027	21,245	2.67	
US\$2,500,000 UBS AG 7.5% 15/02/2028	2,047	0.26	
£4,072,000 UBS AG 7.75% 10/03/2026	4,227	0.53	
<b>'A' credit rated bonds</b>	<b>169,613</b>	<b>21.32</b>	<b>15.96</b>
£5,600,000 Banco Santander SA Var 4.75% 30/08/2028	5,599	0.70	
US\$5,000,000 Bank of America Corp. Var 1.319% 19/06/2026	3,636	0.46	
£2,495,000 Bank of America Corp. Var 1.667% 02/06/2029	2,237	0.28	
US\$5,000,000 Bank of America Corp. Var 4.376% 27/04/2028	3,735	0.47	
US\$2,500,000 Bank of America Corp. Var 4.948% 22/07/2028	1,897	0.24	
€2,890,000 Barclays PLC FRN 4.577% 12/05/2026	2,423	0.30	
US\$1,800,000 Barclays PLC Var 5.501% 09/08/2028	1,377	0.17	
US\$2,000,000 Barclays PLC Var 5.829% 09/05/2027	1,520	0.19	
€2,300,000 BPCE SA 3.875% 11/01/2029	1,963	0.25	
£1,700,000 BPCE SA 4.875% 22/10/2030	1,697	0.21	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 £'000	as at 30.09.24 %	as at 31.03.24 %
<b>Fixed income (continued)</b>			
<b>Debt securities (continued)</b>			
<b>'A' credit rated bonds (continued)</b>			
US\$2,752,000 Citigroup, Inc. Var 4.658% 24/05/2028	2,070	0.26	
£1,072,000 Coventry Building Society Var 7% 07/11/2027	1,111	0.14	
€4,000,000 Credit Agricole SA Var 4.25% 11/07/2029	3,465	0.44	
US\$2,737,000 Deutsche Bank AG 4.162% 13/05/2025	2,034	0.26	
£7,000,000 DWR Cymru Financing U.K. PLC 4.375% 31/03/2027	14,598	1.83	
£3,819,000 Goldman Sachs Group, Inc. 1.5% 07/12/2027	3,469	0.44	
£4,000,000 HSBC Holdings PLC Var 1.75% 24/07/2027	3,781	0.48	
US\$15,000,000 JPMorgan Chase & Co. Var 4.323% 26/04/2028	11,207	1.41	
£3,000,000 KBC Group NV Var 1.25% 21/09/2027	2,796	0.35	
£3,500,000 Leeds Building Society 1.375% 06/10/2027	3,176	0.40	
£7,000,000 Lloyds Banking Group PLC Var 1.875% 15/01/2026	6,928	0.87	
£2,562,000 Lloyds Banking Group PLC Var 2% 12/04/2028	2,391	0.30	
US\$5,000,000 Lloyds Banking Group PLC Var 3.511% 18/03/2026	3,703	0.47	
€2,059,000 Lloyds Banking Group PLC Var 4.5% 11/01/2029	1,798	0.23	
€7,002,000 Morgan Stanley Var 0.406% 29/10/2027	5,542	0.70	
US\$10,000,000 Morgan Stanley Var 0.985% 10/12/2026	7,143	0.90	
US\$2,500,000 Morgan Stanley Var 4.679% 17/07/2026	1,862	0.23	
€6,059,000 Nationwide Building Society 2% 28/04/2027	4,952	0.62	
US\$2,500,000 Nationwide Building Society 4.85% 27/07/2027	1,897	0.24	
£1,780,000 Nationwide Building Society Var 6.178% 07/12/2027	1,827	0.23	
£7,500,000 NatWest Group PLC Var 2.875% 19/09/2026	7,338	0.92	
£2,829,000 NatWest Group PLC Var 3.125% 28/03/2027	2,752	0.35	
£2,435,000 NatWest Markets PLC 6.375% 08/11/2027	2,549	0.32	
US\$2,500,000 Philip Morris International, Inc. 4.875% 15/02/2028	1,906	0.24	
US\$5,000,000 Philip Morris International, Inc. 5.125% 17/11/2027	3,841	0.48	
US\$500,000 Philip Morris International, Inc. 5.125% 15/02/2030	387	0.05	
US\$2,112,573 Project Silver 3.967% 15/07/2044	1,465	0.18	
£5,660,000 Severn Trent Utilities Finance PLC 3.86% 30/05/2028	13,478	1.69	
US\$1,481,000 Societe Generale SA 4.677% 15/06/2027	1,114	0.14	
US\$2,500,000 Svenska Handelsbanken AB 5.5% 15/06/2028	1,930	0.24	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 £'000	as at 30.09.24 %	as at 31.03.24 %
<b>Fixed income (continued)</b>			
<b>Debt securities (continued)</b>			
<b>'A' credit rated bonds (continued)</b>			
US\$1,361,000 Swedbank AB 6.136% 12/09/2026	1,049	0.13	
£2,500,000 Swedbank AB Var 1.375% 08/12/2027	2,329	0.29	
€999,000 UBS Group AG Var 4.125% 09/06/2033	868	0.11	
US\$1,852,000 UBS Group AG Var 4.751% 12/05/2028	1,390	0.17	
US\$1,200,000 UBS Group AG Var 5.428% 08/02/2030	925	0.12	
US\$1,316,000 UBS Group AG Var 6.246% 22/09/2029	1,041	0.13	
US\$1,512,000 UBS Group AG Var 6.327% 22/12/2027	1,173	0.15	
£11,262,000 Wells Fargo & Co. Var 3.473% 26/04/2028	10,883	1.37	
£1,308,000 Yorkshire Building Society Var 7.375% 12/09/2027	1,361	0.17	
<b>'BBB' credit rated bonds</b>	<b>115,837</b>	<b>14.56</b>	<b>23.18</b>
US\$2,273,000 AerCap Ireland Capital DAC/AerCap Global Aviation Trust 2.45% 29/10/2026	1,628	0.20	
€797,000 AIB Group PLC Var 4.625% 23/07/2029	698	0.09	
€1,300,000 Banco de Sabadell SA Var 5% 07/06/2029	1,156	0.15	
€1,100,000 Banco de Sabadell SA Var 5.125% 10/11/2028	973	0.12	
€561,000 Bank of Ireland Group PLC Var 4.875% 16/07/2028	490	0.06	
US\$5,000,000 BAT International Finance PLC 5.931% 02/02/2029	3,939	0.50	
£2,000,000 British Telecommunications PLC 3.5% 25/04/2025	4,659	0.59	
£2,200,000 CaixaBank SA Var 3.5% 06/04/2028	2,126	0.27	
€2,000,000 CaixaBank SA Var 4.625% 16/05/2027	1,710	0.21	
US\$1,990,000 CaixaBank SA Var 6.208% 18/01/2029	1,554	0.20	
€1,600,000 Corning, Inc. 3.875% 15/05/2026	1,351	0.17	
£1,790,000 CPUK Finance Ltd. 5.876% 28/08/2027	1,809	0.23	
£2,600,000 Deutsche Bank AG Var 4% 24/06/2026	2,574	0.32	
£1,700,000 Deutsche Pfandbriefbank AG 7.625% 08/12/2025	1,694	0.21	
€500,000 Eurofins Scientific SE 4.75% 06/09/2030	438	0.06	
US\$808,000 Fifth Third Bancorp Var 6.339% 27/07/2029	641	0.08	
£1,261,000 Hiscox Ltd. 6% 22/09/2027	1,293	0.16	
€773,000 Iccrea Banca SpA Var 4.25% 05/02/2030	669	0.08	
£10,000,000 Imperial Brands Finance PLC 5.5% 28/09/2026	10,089	1.27	
€5,000,000 InterContinental Hotels Group PLC 1.625% 08/10/2024	4,171	0.52	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 £'000	as at 30.09.24 %	as at 31.03.24 %
<b>Fixed income (continued)</b>			
<b>Debt securities (continued)</b>			
<b>'BBB' credit rated bonds (continued)</b>			
€635,000 Landsbankinn Hf. 6.375% 12/03/2027	564	0.07	
€1,440,000 Logicolor Financing SARL 1.5% 13/07/2026	1,162	0.15	
€1,320,000 Mexico Government International Bonds 4.4899% 25/05/2032	1,112	0.14	
€242,000 MTU Aero Engines AG 3.875% 18/09/2031	205	0.03	
US\$1,429,000 NextEra Energy Capital Holdings, Inc. 6.051% 01/03/2025	1,070	0.13	
£9,103,000 Orsted AS 0.375% 16/05/2034	9,350	1.18	
€897,000 Permanent TSB Group Holdings PLC Var 6.625% 25/04/2028	803	0.10	
US\$5,000,000 Santander U.K. Group Holdings PLC Var 1.532% 21/08/2026	3,618	0.45	
US\$5,000,000 Santander U.K. Group Holdings PLC Var 6.534% 10/01/2029	3,941	0.50	
£1,914,000 Santander U.K. Group Holdings PLC Var 7.098% 16/11/2027	1,987	0.25	
€1,808,000 SELP Finance SARL 3.75% 10/08/2027	1,527	0.19	
£5,000,000 Swedbank AB Var 7.272% 15/11/2032	5,241	0.66	
£15,913,000 Tesco PLC FRN 6.5896% 05/11/2025	31,468	3.95	
€1,550,000 UniCredit SpA Var 1.25% 16/06/2026	1,276	0.16	
US\$4,500,000 Warnermedia Holdings, Inc. 4.279% 15/03/2032	2,985	0.38	
£5,000,000 Whitbread Group PLC 2.375% 31/05/2027	4,650	0.58	
€1,500,000 Worldline SA 4.125% 12/09/2028	1,216	0.15	
<b>'BB' credit rated bonds</b>	<b>2,506</b>	<b>0.31</b>	<b>0.57</b>
£926,000 Boost Newco Borrower LLC/GTCR W Dutch Finance Sub BV 8.5% 15/01/2031	1,000	0.12	
€1,868,000 GTC Aurora Luxembourg SA 2.25% 23/06/2026	1,409	0.18	
€100,000 Novo Banco SA Var 9.875% 01/12/2033	97	0.01	
<b>'B' credit rated bonds</b>	<b>0</b>	<b>0.00</b>	<b>0.26</b>
<b>'CCC' credit rated bonds</b>	<b>1,532</b>	<b>0.19</b>	<b>0.00</b>
£2,000,000 Thames Water Utilities Finance PLC 4% 19/06/2025	1,532	0.19	
<b>Debt derivatives</b>	<b>(2,135)</b>	<b>(0.27)</b>	<b>(0.30)</b>
<b>Credit default swaps</b>	<b>6,060</b>	<b>0.76</b>	<b>0.85</b>
€5,000,000 Anheuser-Busch InBev SA 20/12/2025	43	0.01	
US\$5,000,000 AT&T, Inc. 20/12/2025	32	0.00	
€7,500,000 BNP Paribas SA 20/12/2025	56	0.01	

# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 £'000	as at 30.09.24 %	as at 31.03.24 %
<b>Fixed income (continued)</b>			
<b>Debt derivatives (continued)</b>			
<b>Credit default swaps (continued)</b>			
€10,000,000 BP Capital Markets PLC 20/06/2025	50	0.01	
US\$51,500,000 CDX.NA.IG.S38 20/06/2027	733	0.09	
US\$32,000,000 CDX.NA.IG.S41 20/12/2028	548	0.07	
US\$15,000,000 Comcast Corp. 20/12/2026	188	0.02	
€7,500,000 Credit Agricole SA 20/12/2025	58	0.01	
€(7,300,000) Deutsche Bank AG 20/06/2026	(69)	(0.01)	
€10,000,000 Enel SpA 20/12/2025	83	0.01	
US\$5,000,000 Energy Transfer LP 20/12/2024	6	0.00	
US\$10,500,000 FedEx Corp. 20/06/2026	108	0.01	
US\$5,000,000 General Electric Co. 20/12/2025	42	0.01	
US\$7,500,000 General Electric Co. 20/12/2028	168	0.02	
US\$5,000,000 General Motors Co. 20/12/2024	40	0.00	
US\$5,000,000 General Motors Co. 20/12/2025	212	0.03	
€80,000,000 iTraxx Europe S37 20/06/2027	1,235	0.16	
€97,500,000 iTraxx Europe S38 20/12/2027	1,608	0.20	
€27,000,000 iTraxx Europe S40 20/12/2028	475	0.06	
€(30,500,000) iTraxx Europe Senior Financials S39 20/06/2028	(481)	(0.06)	
€6,000,000 Next Group PLC 20/06/2026	71	0.01	
US\$5,000,000 Omnicom Capital, Inc. 20/12/2025	40	0.00	
€5,000,000 Orange SA 20/12/2025	46	0.01	
US\$5,000,000 Verizon Communications, Inc. 20/12/2025	34	0.00	
€5,000,000 Vodafone Group PLC 20/06/2028	91	0.01	
€7,500,000 Vodafone Group PLC 20/12/2024	12	0.00	
€13,100,000 Wendel SE 20/12/2025	631	0.08	
	<b>(9,063)</b>	<b>(1.14)</b>	<b>(1.03)</b>
<b>Interest rate swaps</b>			
£20,000,000 Pay VAR Receive 3.8141% 12/03/2029	(29)	(0.01)	
£20,000,000 Pay VAR Receive 3.8557% 11/03/2029	8	0.00	
£25,000,000 Pay VAR Receive 3.9% 15/09/2031	(3,129)	(0.39)	
£50,000,000 Pay VAR Receive 3.953% 15/09/2031	(5,964)	(0.75)	
£16,000,000 Pay VAR Receive 4.0356% 02/03/2028	51	0.01	



# Portfolio statement

## Investments (continued)

Holding	as at 30.09.24 £'000	as at 30.09.24 %	as at 31.03.24 %
<b>Fixed income (continued)</b>			
<b>Debt derivatives (continued)</b>			
<b>Interest rate futures</b>	<b>868</b>	<b>0.11</b>	<b>(0.12)</b>
344 CBOT 5 Year U.S. Treasury Notes Futures Dec 2024	154	0.02	
160 CBOT 10 Year U.S. Treasury Notes Futures Dec 2024	65	0.01	
823 Eurex 2 Year Euro SCHATZ Futures Dec 2024	109	0.01	
493 Eurex 5 Year Euro BOBL Futures Dec 2024	502	0.06	
(73) Long Gilt Futures Dec 2024	38	0.01	
<b>Currency</b>	<b>2,422</b>	<b>0.31</b>	<b>(0.06)</b>
<b>Forward currency contracts</b>	<b>2,422</b>	<b>0.31</b>	<b>(0.06)</b>
€615,020 Bought for £514,588 (expires 16.10.24)	(1)	0.00	
€(61,738,140) Sold for £52,132,975 (expires 16.10.24)	572	0.07	
US\$(145,122,328) Sold for £110,099,584 (expires 16.10.24)	1,851	0.24	
<b>Total portfolio</b>	<b>761,917</b>	<b>95.76</b>	<b>97.26</b>
<b>Net other assets/(liabilities)</b>	<b>33,777</b>	<b>4.24</b>	<b>2.74</b>
<b>Net assets attributable to shareholders</b>	<b>795,694</b>	<b>100.00</b>	<b>100.00</b>

# Portfolio statement

## Top ten portfolio transactions for the six months to 30 September 2024

Largest purchases	£'000
U.K. Inflation-Linked Gilts 0.125% 22/03/2026	130,506
U.K. Inflation-Linked Gilts 0.125% 22/03/2029	20,568
Severn Trent Utilities Finance PLC 3.86% 30/05/2028	13,400
Metropolitan Life Global Funding I 5% 10/01/2030	6,689
Bundesrepublik Deutschland Bundesanleihe 0.5% 15/02/2026	4,539
Warnermedia Holdings, Inc. 4.279% 15/03/2032	3,005
Deutsche Pfandbriefbank AG 7.625% 08/12/2025	1,670
Boeing Co. 6.298% 01/05/2029	1,596
Thames Water Utilities Finance PLC 4% 19/06/2025	1,530
Warnermedia Holdings, Inc. 4.302% 17/01/2030	677
Other purchases	268
<b>Total purchases</b>	<b>184,448</b>

Largest sales	£'000
U.K. Inflation-Linked Gilts 2.5% 17/07/2024	203,148
Anglian Water Services Financing PLC 3.666% 30/07/2024	9,454
Banco Santander SA 1.375% 31/07/2024	7,800
JBS USA Holding Lux SARL/ JBS USA Food Co./ JBS Lux Co. SARL 5.125% 01/02/2028	6,550
Bank of America Corp. Var 3.584% 27/04/2031	6,153
U.K. Inflation-Linked Gilts 0.125% 22/03/2026	5,105
Towd Point Mortgage Funding PLC 5.8916% 20/10/2051	5,000
ING Groep NV 5% 30/08/2026	4,964
JPMorgan Chase & Co. 4.851% 25/07/2028	3,844
Wells Fargo & Co. 2.188% 30/04/2026	3,759
Other sales	30,938
<b>Total sales</b>	<b>286,715</b>

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](http://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. Please refer to 'Comparative tables' for the share class launch dates.

Share class	Six months % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	+2.8	+2.9	+2.5	+1.8
Class 'A' Accumulation	+2.8	+2.9	+2.5	+1.8
Class 'I' Income	+3.1	+3.3	+2.9	+2.2
Class 'I' Accumulation	+3.0	+3.3	+2.9	+2.2
Class 'PP' Income	+3.1	+3.4	+3.1	n/a
Class 'PP' Accumulation	+3.1	+3.4	+3.1	n/a
Class 'R' Income	+2.9	+3.0	+2.7	+2.0
Class 'R' Accumulation	+2.9	+3.0	+2.7	+2.0
<b>Benchmark</b>	<b>+1.4</b>	<b>+6.3</b>	<b>+4.5</b>	<b>+3.0</b>

<sup>a</sup> Not annualised.

## Comparative tables

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

# Financial highlights

## Sterling Class 'A' Income shares

The share class was launched on 16 September 2010.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	791	872	1,938
Number of shares	630,581	705,895	1,627,365
Closing NAV per share (UK p)	125.44	123.50	119.10
Operating charges (%)	0.85	0.83	0.83

## Sterling Class 'I' Income shares

The share class was launched on 16 September 2010.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	280,425	325,239	416,816
Number of shares	213,165,751	251,627,183	335,723,171
Closing NAV per share (UK p)	131.55	129.25	124.15
Operating charges (%)	0.45	0.43	0.43

## Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	217,107	235,389	243,169
Number of shares	194,978,276	215,266,919	231,747,066
Closing NAV per share (UK p)	111.35	109.35	104.93
Operating charges (%)	0.35	0.33	0.33

## Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	329	264	246
Number of shares	268,292	218,977	212,048
Closing NAV per share (UK p)	122.44	120.46	115.99
Operating charges (%)	0.70	0.68	0.68

## Sterling Class 'A' Accumulation shares

The share class was launched on 16 September 2010.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	13,788	14,695	19,130
Number of shares	10,059,670	11,007,507	15,116,707
Closing NAV per share (UK p)	137.06	133.50	126.54
Operating charges (%)	0.85	0.83	0.83

## Sterling Class 'I' Accumulation shares

The share class was launched on 16 September 2010.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	196,492	220,849	294,742
Number of shares	134,707,814	155,762,883	220,173,164
Closing NAV per share (UK p)	145.87	141.79	133.87
Operating charges (%)	0.45	0.43	0.43

## Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	86,144	86,167	87,438
Number of shares	72,884,936	75,039,744	80,730,137
Closing NAV per share (UK p)	118.19	114.83	108.31
Operating charges (%)	0.35	0.33	0.33

## Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	30.09.24	31.03.24	31.03.23
Closing NAV (£'000)	618	679	780
Number of shares	466,710	527,440	640,041
Closing NAV per share (UK p)	132.35	128.81	121.92
Operating charges (%)	0.70	0.68	0.68

# Financial statements and notes

## Financial statements

### Statement of total return

for the six months to 30 September	2024		2023	
	£'000	£'000	£'000	£'000
<b>Income</b>				
Net capital gains/(losses)		9,802		(10,770)
Revenue	15,701		25,214	
Expenses	(1,801)		(2,037)	
Interest payable and similar charges	(23)		(3)	
Net revenue/(expense) before taxation	13,877		23,174	
Taxation	0		0	
Net revenue/(expense) after taxation		13,877		23,174
<b>Total return before distributions</b>		<b>23,679</b>		<b>12,404</b>
Distributions		(8,458)		(7,285)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>15,221</b>		<b>5,119</b>

### Statement of change in net assets attributable to shareholders

for the six months to 30 September	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>884,154</b>		<b>1,064,259</b>
Amounts received on issue of shares	11,603		37,179	
Amounts paid on cancellation of shares	(117,897)		(162,773)	
		(106,294)		(125,594)
Dilution adjustments		94		190
Change in net assets attributable to shareholders from investment activities (see above)		15,221		5,119
Retained distributions on Accumulation shares		2,519		2,062
<b>Closing net assets attributable to shareholders</b>		<b>795,694</b>		<b>946,036</b>

The opening net assets attributable to shareholders for 2024 differs to the closing position in 2023 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

# Financial statements and notes

## Financial statements

### Balance sheet

as at	30 September 2024 £'000	31 March 2024 £'000
<b>Assets</b>		
<b>Fixed assets</b>		
Investments	771,590	872,550
<b>Current assets</b>		
Debtors	4,809	7,978
Cash and bank balances	25,131	26,304
Cash equivalents	14,519	1,526
<b>Total assets</b>	<b>816,049</b>	<b>908,358</b>
<b>Liabilities</b>		
Investment liabilities	(9,673)	(12,643)
<b>Creditors</b>		
Bank overdrafts	0	(1,751)
Overdrawn positions at futures clearing houses and collateral manager	(3,691)	(1,964)
Distribution payable	(5,381)	(5,212)
Other creditors	(1,610)	(2,634)
<b>Total liabilities</b>	<b>(20,355)</b>	<b>(24,204)</b>
<b>Net assets attributable to shareholders</b>	<b>795,694</b>	<b>884,154</b>

# Financial statements and notes

## Notes to the financial statements

### Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 5.

### Distribution policy

To contribute to the preservation of the share value in real terms, the amount available for distribution has been calculated to disregard the change in the Retail Prices Index during the accounting period in respect of interest from index-linked gilt-edged securities.

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.

