

M&G Investment Funds (1)

**Interim report and unaudited financial statements
for the six months ended 28 February 2025**

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Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Investment Funds (1) presents its interim report and unaudited financial statements for the six months ended 28 February 2025.

The unaudited financial statements of M&G Investment Funds (1), 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. 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 (1) is an umbrella Open-Ended Investment Company (OEIC) and contains eight 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 6 June 2001 and was launched on 1 November 2001, following the conversion of a series of authorised unit trusts.

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 28 February 2025, none of the funds held shares of the other funds within this OEIC.

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

Fund managers

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

M&G Asian Fund

David Perrett

M&G European Sustain Paris Aligned Fund

John William Olsen

M&G Global Sustain Paris Aligned Fund

John William Olsen

M&G Global Themes Fund

Alex Araujo

M&G Japan Fund

Carl Vine

M&G Japan Smaller Companies Fund

Carl Vine

M&G North American Dividend Fund

John Weavers

M&G North American Value Fund

Daniel White

ACD

M&G Securities Limited

10 Fenchurch Avenue, London EC3M 5AG, UK

Telephone: 0800 390 390 (UK only)

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

Authorised Corporate Director's Report

Directors of the ACD

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

* Appointed 13 January 2025.

** Appointed 12 March 2025.

*** Resigned 13 January 2025.

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

Climate-related Financial Disclosures (TCFD)

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

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

Important information

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

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.

Authorised Corporate Director's Report

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 addresses. 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.

Customer services and administration for non-UK clients:

M&G Securities Limited
c/o CACEIS Investor Services Bank S.A.
14 Porte de France, L-4360 Esch-sur-Alzette,
Luxembourg

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: +352 2605 9944
Email: csmang@caceis.com

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.

German information agent:

M&G International Investments Limited
mainBuilding, Taunusanlage 19
60325 Frankfurt am Main, Germany

Authorised Corporate Director's Report

Authorised Corporate Director's Responsibilities

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

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

Directors' statement

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

M&G Securities Limited
23 April 2025



Financial statements and notes

The financial statements for M&G Investment Funds (1) comprise the individual 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 August 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.

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 30 August 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 AC Asia Pacific ex Japan Index over any five-year period.

Investment policy

At least 80% of the fund is invested directly in equity securities and equity-related securities of companies across any sectors and market capitalisations that are incorporated, domiciled, or do most of their business in the Asia Pacific region (excluding Japan).

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

The fund may also hold cash and near cash for liquidity purposes.

Derivatives may be used for efficient portfolio management and hedging.

Investment approach

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

The investment approach identifies shares of Asia Pacific ex Japan companies which, in the fund manager's opinion at the time of investment, are undervalued.

When analysing a company, the fund manager focuses on three key factors: return on capital, valuations and corporate governance.

The fund manager believes that company-specific factors, in particular their profitability (which is measured in terms of return on capital), drive share prices over the long term.

Benchmark

MSCI AC Asia Pacific ex Japan Index

The benchmark is a target which the fund seeks to outperform. The index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

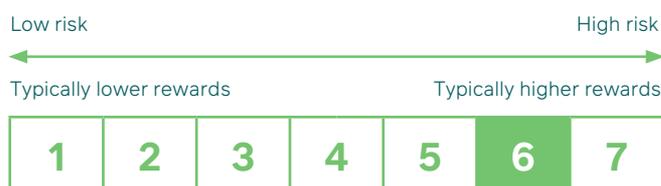
The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents.

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

Risk profile

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

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 28 February 2025

Performance against objective

Between 1 September 2024 (the start of the review period) and 28 February 2025, the fund's sterling share classes delivered a positive total return (the combination of income and growth of capital). Fund performance was ahead of the benchmark, the MSCI AC Asia Pacific ex Japan Index, which advanced 5.3% during the period.

The fund has also outperformed its benchmark over five years (the benchmark returned 5.7% pa in this time). It has therefore met the objective of providing a higher total return, net of the ongoing charge figure, than that of the MSCI AC Asia Pacific ex Japan Index, over any five-year period.

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

Performance review

The MSCI AC Asia Pacific ex Japan Index gained during the review period, however it lagged the MSCI AC World Index, which returned 8.8% in sterling terms.

The Chinese stockmarket was the standout performer in the review period, benefiting initially from stimulus measures announced by the authorities and later driven by positive sentiment off the back of artificial intelligence (AI) company DeepSeek releasing its large language model. The performance of China was all the more impressive given the introduction of tariffs by incoming US president Trump. The strength of Chinese stockmarkets also boosted sentiment towards Hong Kong shares.

The Singapore stockmarket also performed strongly with bank shares benefiting from expectations of higher-for-longer interest rates. Taiwan also outperformed with AI-related names, including Taiwan Semiconductor Manufacturing Company and Mediatek supporting performance.

However, markets in India and Korea fell sharply. India's economy has slowed and weaker revenue growth and earnings delivery from companies have weighed on its market during the past six months. Meanwhile, Korea's stockmarket and currency were rattled in late 2024, as its president, Yoon Suk Yeol, attempted, but failed, to impose martial law.

Other markets that lagged included those of ASEAN economies Indonesia, the Philippines and Thailand.

The fund outperformed its benchmark over the period, with an overweight position in China and an underweight position in India driving performance. However, the fund's overweight exposure to Korea hurt relative returns.

Key contributors to outperformance included Cartrade Tech, an India-based multi-channel auto platform; KE, China's dominant online real estate agency; and Atour Lifestyle, a leading hotel operator.

KE performed strongly as the market looked through past woes in the property sector and focused instead on the strength of its renovation business.

We like the hotel sector overall and Atour Lifestyle is our preferred stock. The company is growing quickly, but is trading at a discount to some other names in the sector. Atour Lifestyle is developing a powerful brand and has a user loyalty membership scheme which has proved very popular.

Conversely, positions in Telkom Indonesia, a state-owned integrated telecom operator; Pacific Basin Shipping, an international dry bulk shipping company listed in Hong Kong; and South Korea's Hyundai Motor, held back relative performance.

We have followed Telkom Indonesia for more than 20 years. The company has historically struggled with numerous factors, the main one being that it has not grown earnings for four years, which has been caused by weak consumer spending power, increased competition as a result of mergers and headwinds from its legacy voice and SMS businesses. More recently, the company has been going through self-help measures

Authorised Corporate Director's Report

and earnings should begin to grow modestly in 2025. We remain invested and increased our holding in early 2025.

Pacific Basin Shipping was caught out by unseasonal weakness in its Atlantic business and also faced general concerns towards the end of 2024 regarding weak global growth prospects and fears regarding slower than expected adoption of tougher environmental rules. The company is zero net debt and trades at a significant discount to book. This valuation is too cheap in our view, especially given the energy transition impending for the sector, which will limit new ship supply.

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 universe of nearly 500 Asia ex-Japan stocks, which has been carefully refined over many years. We deliberately concentrate our efforts around a pre-defined universe of companies.

We tend to make longer-term investments, although returns may be enhanced by opportunistic positioning where 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.

At the end of 2024, we added Baidu and closed our position in LG Chem. Our holding in LG Chem was a modest position and we kept it partly as a hedge against the broader Korean electric vehicle battery

supply chain. We remained underweight in aggregate, which proved correct, and with the sector shrinking in importance we exited the name.

In February 2025, we began new positions in Xiaomi. We also added Mixue, an IPO we participated in at the end of February in which we received a cornerstone allocation.

Outlook

While we are macro-aware (knowing what the key debates of the day are), we choose to spend the vast majority of our time focused on bottom-up opportunities where we aim to bring true perspective in identifying mispriced opportunities. Encouragingly, such mispriced opportunities remain plentiful in Asia ex-Japan today.

In certain South East Asian countries, where markets are worried about the impact of higher-for-longer US interest rates, there are a number of high quality companies with structural, bottom up, growth tail winds, trading on high single digit dividend yields.

Similarly, across Asia, many exporters have been sharply de-rated due to fears of Trump tariffs. However, many such companies have either changed their supply chains away from China or have even added material capacity in the US itself, leading to attractive upside potential.

It's these opportunities that encourage us to continue to focus on bottom up ideas and be as thoughtful as possible in portfolio construction to keep key drivers of risk idiosyncratic, and look to use swings in sentiment and excessive price volatility to add to core, medium-term holdings.

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 28.02.25 \$'000 | as at 28.02.25 % | as at 31.08.24 % |
|--|--------------------------|---------------------|---------------------|
| Equities | 648,005 | 98.54 | 100.71 |
| United States | 21,433 | 3.26 | 2.72 |
| 1,767,045 Amcor PLC | 17,774 | 2.70 | |
| 5,680,000 Nexteer Automotive Group Ltd. | 3,659 | 0.56 | |
| Canada | 2,835 | 0.43 | 0.54 |
| 206,525 Cenovus Energy, Inc. | 2,835 | 0.43 | |
| Australia | 56,309 | 8.56 | 10.76 |
| 483,863 ANZ Group Holdings Ltd. | 8,951 | 1.36 | |
| 438,492 BHP Group Ltd. | 10,637 | 1.62 | |
| 469,296 BlueScope Steel Ltd. | 7,080 | 1.08 | |
| 16,843 CSL Ltd. | 2,726 | 0.41 | |
| 47,151,235 FBR Ltd. | 557 | 0.08 | |
| 1,472,043 Lendlease Corp. Ltd. | 5,639 | 0.86 | |
| 108,701 Mesoblast Ltd. Warrants 20/03/2028 | 0 | 0.00 | |
| 115,227 Mineral Resources Ltd. | 1,627 | 0.25 | |
| 425,193 National Australia Bank Ltd. | 9,331 | 1.42 | |
| 1,798,085 Stockland | 5,680 | 0.86 | |
| 264,946 Woodside Energy Group Ltd. | 4,081 | 0.62 | |
| China | 146,948 | 22.35 | 19.07 |
| 1,046,376 Alibaba Group Holding Ltd. | 17,229 | 2.62 | |
| 332,010 Atour Lifestyle Holdings Ltd. ADR | 9,645 | 1.47 | |
| 155,932 Autohome, Inc. ADR | 4,521 | 0.69 | |
| 37,678 Baidu, Inc. ADR | 3,241 | 0.49 | |
| 4,684,000 Beijing Oriental Yuhong Waterproof Technology Co. Ltd. | 8,304 | 1.26 | |
| 131,500 BYD Co. Ltd. | 6,548 | 1.00 | |
| 1,400,000 China Merchants Bank Co. Ltd. | 8,210 | 1.25 | |
| 4,279,800 China Tower Corp. Ltd. | 6,074 | 0.92 | |
| 3,368,800 GF Securities Co. Ltd. | 4,456 | 0.68 | |
| 5,735,000 Hainan Meilan International Airport Co. Ltd. | 6,071 | 0.92 | |
| 2,640,400 Huatai Securities Co. Ltd. | 4,444 | 0.68 | |
| 347,303 JD.com, Inc. | 7,217 | 1.10 | |
| 4,647,450 Jiangsu Zhongtian Technology Co. Ltd. | 8,814 | 1.34 | |
| 668,244 KE Holdings, Inc. ADR | 15,109 | 2.30 | |

Portfolio statement

Investments (continued)

| Holding | as at 28.02.25 \$'000 | as at 28.02.25 % | as at 31.08.24 % |
|--|--------------------------|---------------------|---------------------|
| Equities (continued) | | | |
| China (continued) | | | |
| 219,180 Meituan | 4,594 | 0.70 | |
| 322,200 MINISO Group Holding Ltd. | 1,648 | 0.25 | |
| 168,827 MINISO Group Holding Ltd. ADR | 3,371 | 0.51 | |
| 163,100 Mixue Group | 4,246 | 0.65 | |
| 17,385 PDD Holdings, Inc. ADR | 1,985 | 0.30 | |
| 8,755,500 Sinopec Engineering Group Co. Ltd. | 6,560 | 1.00 | |
| 2,799,000 Weichai Power Co. Ltd. | 5,494 | 0.83 | |
| 443,000 Xiaomi Corp. | 2,967 | 0.45 | |
| 3,527,000 Yangzijiang Shipbuilding Holdings Ltd. | 6,200 | 0.94 | |
| Hong Kong | 114,620 | 17.43 | 14.96 |
| 2,106,200 AIA Group Ltd. | 16,122 | 2.45 | |
| 2,991,500 BOC Hong Kong Holdings Ltd. | 10,530 | 1.60 | |
| 2,699,000 China Resources Beer Holdings Co. Ltd. | 8,679 | 1.32 | |
| 1,901,000 CK Asset Holdings Ltd. | 8,262 | 1.26 | |
| 1,471,350 CK Hutchison Holdings Ltd. | 7,364 | 1.12 | |
| 20,768,500 Crystal International Group Ltd. | 13,308 | 2.02 | |
| 1,419,345 HUTCHMED China Ltd. ^a | 4,715 | 0.72 | |
| 747,500 Sun Hung Kai Properties Ltd. | 7,002 | 1.06 | |
| 454,500 Tencent Holdings Ltd. | 28,060 | 4.27 | |
| 12,975,500 WH Group Ltd. | 10,578 | 1.61 | |
| India | 55,140 | 8.38 | 8.89 |
| 478,278 Cartrade Tech Ltd. | 8,448 | 1.28 | |
| 1,196,131 HDFC Bank Ltd. | 23,650 | 3.60 | |
| 453,548 ICICI Bank Ltd. | 6,226 | 0.95 | |
| 433,233 Infosys Ltd. | 8,387 | 1.27 | |
| 1,149,086 Juniper Hotels Ltd. | 3,356 | 0.51 | |
| 370,980 Reliance Industries Ltd. | 5,073 | 0.77 | |
| Indonesia | 23,425 | 3.56 | 3.94 |
| 20,767,900 Bank Mandiri Persero Tbk. PT | 5,749 | 0.87 | |
| 25,787,100 Bank Rakyat Indonesia Persero Tbk. PT | 5,226 | 0.80 | |
| 88,211,800 Telkom Indonesia Persero Tbk. PT | 12,450 | 1.89 | |

Portfolio statement

Investments (continued)

| Holding | as at 28.02.25 \$'000 | as at 28.02.25 % | as at 31.08.24 % |
|---|--------------------------|---------------------|---------------------|
| Equities (continued) | | | |
| Singapore | | | |
| 120,000 17LIVE Group Ltd. Warrants 07/12/2028 | 2 | 0.00 | |
| 188,304 DBS Group Holdings Ltd. | 6,411 | 0.97 | |
| 18,608,400 Genting Singapore Ltd. | 10,006 | 1.52 | |
| 13,828,000 Netlink NBN Trust | 8,718 | 1.33 | |
| 3,785,600 Singapore Telecommunications Ltd. | 9,519 | 1.45 | |
| 341,300 United Overseas Bank Ltd. | 9,670 | 1.47 | |
| South Korea | | | |
| 107,784 Hyundai Motor Co. Preference Shares | 11,034 | 1.68 | |
| 86,607 KB Financial Group, Inc. | 4,654 | 0.71 | |
| 80,684 Samsung Electro-Mechanics Co. Ltd. | 7,485 | 1.14 | |
| 476,566 Samsung Electronics Co. Ltd. | 17,828 | 2.71 | |
| 26,757 Samsung Fire & Marine Insurance Co. Ltd. | 7,012 | 1.06 | |
| 121,404 Samsung Life Insurance Co. Ltd. | 7,222 | 1.10 | |
| 49,037 SK Hynix, Inc. | 6,434 | 0.98 | |
| Taiwan | | | |
| 684,220 Delta Electronics, Inc. | 8,373 | 1.27 | |
| 112,000 MediaTek, Inc. | 5,171 | 0.79 | |
| 1,977,178 Taiwan Semiconductor Manufacturing Co. Ltd. | 62,667 | 9.53 | |
| Thailand | | | |
| 400,100 Advanced Info Service PCL | 3,232 | 0.49 | |
| 2,108,600 Bangkok Bank PCL | 9,317 | 1.42 | |
| 2,018,700 Kasikornbank PCL | 8,920 | 1.36 | |
| 18,166,000 Thai Beverage PCL | 6,939 | 1.05 | |
| Bermuda | | | |
| 7,729,933 COSCO SHIPPING Ports Ltd. | 4,353 | 0.66 | |
| 38,197,000 Pacific Basin Shipping Ltd. | 7,731 | 1.18 | |
| 8,374,000 Sinopec Kantons Holdings Ltd. | 4,597 | 0.70 | |

Portfolio statement

Investments (continued)

| Holding | as at 28.02.25 \$'000 | as at 28.02.25 % | as at 31.08.24 % |
|--|--------------------------|---------------------|---------------------|
| Currency | 1 | 0.00 | 0.00 |
| Forward currency contracts | 1 | 0.00 | 0.00 |
| HK\$(111,700,000) Sold for US\$14,424,629 (expires 10.02.26) | 1 | 0.00 | |
| Total portfolio | 648,006 | 98.54 | 100.71 |
| Net other assets/(liabilities) | 9,604 | 1.46 | (0.71) |
| Net assets attributable to shareholders | 657,610 | 100.00 | 100.00 |

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

^a AIM quoted.

Portfolio statement

Top ten portfolio transactions for the six months to 28 February 2025

| Largest purchases | \$'000 |
|---|----------------|
| Taiwan Semiconductor Manufacturing Co. Ltd. | 30,613 |
| iShares MSCI Taiwan UCITS ETF | 14,503 |
| HDFC Bank Ltd. | 12,762 |
| Tencent Holdings Ltd. | 10,841 |
| Amtcor PLC | 10,677 |
| Telkom Indonesia Persero Tbk. PT | 10,517 |
| Franklin FTSE Korea UCITS ETF | 9,940 |
| AIA Group Ltd. | 8,748 |
| Samsung Electronics Co. Ltd. | 7,362 |
| Genting Singapore Ltd. | 6,689 |
| Other purchases | 226,551 |
| Total purchases | 349,203 |

| Largest sales | \$'000 |
|---|---------------|
| iShares MSCI Taiwan UCITS ETF | 14,369 |
| Franklin FTSE Korea UCITS ETF | 9,657 |
| DBS Group Holdings Ltd. | 7,594 |
| Cartrade Tech Ltd. | 3,866 |
| Advanced Info Service PCL | 3,540 |
| Taiwan Semiconductor Manufacturing Co. Ltd. | 3,172 |
| KE Holdings, Inc. ADR | 3,045 |
| Huatai Securities Co. Ltd. | 2,886 |
| Xtrackers MSCI China UCITS ETF | 2,542 |
| MINISO Group Holding Ltd. ADR | 2,324 |
| Other sales | 37,417 |
| Total sales | 90,412 |

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

| Share class | Six months % ^a | Three years % pa | Five years % pa | Ten years % pa |
|-------------------------|------------------------------|---------------------|--------------------|-------------------|
| Sterling | | | | |
| Class 'A' Income | +9.8 | +8.4 | +9.4 | +6.9 |
| Class 'A' Accumulation | +9.8 | +8.4 | +9.4 | +6.9 |
| Class 'I' Income | +10.0 | +8.8 | +9.9 | +7.5 |
| Class 'I' Accumulation | +10.0 | +8.8 | +9.9 | +7.5 |
| Class 'PP' Income | +10.1 | n/a | n/a | n/a |
| Class 'PP' Accumulation | +10.1 | n/a | n/a | n/a |
| Class 'R' Income | +9.9 | +8.5 | +9.6 | +7.2 |
| Class 'R' Accumulation | +9.9 | +8.5 | +9.6 | +7.2 |
| Benchmark | +5.3 | +4.0 | +5.7 | +6.8 |

^a 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 14 September 1973.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 156,874 | 149,538 | 115,861 |
| Number of shares | 7,236,125 | 7,249,780 | 6,514,022 |
| Closing NAV per share (UK p) | 1,721.19 | 1,565.88 | 1,402.71 |
| Operating charges (%) | 1.00 | 1.01 | 1.25 |

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 39,893 | 27,841 | 21,588 |
| Number of shares | 1,556,561 | 1,144,038 | 1,032,890 |
| Closing NAV per share (UK p) | 2,034.78 | 1,847.48 | 1,648.31 |
| Operating charges (%) | 0.60 | 0.61 | 0.85 |

Sterling Class 'PP' Income shares

The share class was launched on 27 April 2023.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|----------|----------|
| Closing NAV (\$'000) | 1,769 | 46 | 25 |
| Number of shares | 1,171,011 | 32,000 | 20,010 |
| Closing NAV per share (UK p) | 119.93 | 108.84 | 97.02 |
| Operating charges (%) | 0.50 | 0.51 | 0.51 |

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|----------|----------|----------|
| Closing NAV (\$'000) | 1,064 | 1,073 | 1,100 |
| Number of shares | 424,831 | 450,555 | 536,523 |
| Closing NAV per share (UK p) | 198.93 | 180.84 | 161.75 |
| Operating charges (%) | 0.85 | 0.86 | 1.10 |

Sterling Class 'A' Accumulation shares

The share class was launched on 14 September 1973.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|----------|----------|----------|
| Closing NAV (\$'000) | 18,221 | 17,145 | 15,167 |
| Number of shares | 419,350 | 414,746 | 438,588 |
| Closing NAV per share (UK p) | 3,449.64 | 3,138.30 | 2,727.24 |
| Operating charges (%) | 1.00 | 1.01 | 1.26 |

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 207,601 | 163,318 | 64,199 |
| Number of shares | 6,009,225 | 4,978,715 | 2,348,803 |
| Closing NAV per share (UK p) | 2,742.81 | 2,490.28 | 2,155.58 |
| Operating charges (%) | 0.60 | 0.61 | 0.82 |

Sterling Class 'PP' Accumulation shares

The share class was launched on 27 April 2023.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-------------|----------|----------|
| Closing NAV (\$'000) | 221,389 | 44 | 25 |
| Number of shares | 139,775,162 | 29,243 | 20,000 |
| Closing NAV per share (UK p) | 125.75 | 114.12 | 98.69 |
| Operating charges (%) | 0.50 | 0.51 | 0.51 |

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 10,799 | 10,376 | 9,220 |
| Number of shares | 3,224,395 | 3,258,765 | 3,466,724 |
| Closing NAV per share (UK p) | 265.90 | 241.72 | 209.75 |
| Operating charges (%) | 0.85 | 0.86 | 1.11 |

Financial statements and notes

Financial statements

Statement of total return

| for the six months to 28 February and 29 February | 2025 | | 2024 | |
|---|---------|---------------|---------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Income | | | | |
| Net capital gains/(losses) | | 17,059 | | 10,221 |
| Revenue | 5,938 | | 2,899 | |
| Expenses | (1,651) | | (1,038) | |
| Interest payable and similar charges | (6) | | 0 | |
| Net revenue/(expense) before taxation | 4,281 | | 1,861 | |
| Taxation | (1,020) | | (408) | |
| Net revenue/(expense) after taxation | | 3,261 | | 1,453 |
| Total return before equalisation | | 20,320 | | 11,674 |
| Equalisation | | 2,233 | | 197 |
| Change in net assets attributable to shareholders from investment activities | | 22,553 | | 11,871 |

Statement of change in net assets attributable to shareholders

| for the six months to 28 February and 29 February | 2025 | | 2024 | |
|--|----------|----------------|----------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening net assets attributable to shareholders | | 369,381 | | 227,185 |
| Amounts received on issue of shares | 339,956 | | 49,898 | |
| Amounts paid on cancellation of shares | (75,008) | | (10,177) | |
| | | 264,948 | | 39,721 |
| Dilution adjustments | | 726 | | 137 |
| Change in net assets attributable to shareholders from investment activities (see above) | | 22,553 | | 11,871 |
| Unclaimed distributions | | 2 | | 3 |
| Closing net assets attributable to shareholders | | 657,610 | | 278,917 |

The opening net assets attributable to shareholders for 2025 differs to the closing position in 2024 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 | 28 February 2025 \$'000 | 31 August 2024 \$'000 |
|--|----------------------------|--------------------------|
| Assets | | |
| Fixed assets | | |
| Investments | 648,006 | 372,017 |
| Current assets | | |
| Debtors | 18,702 | 2,312 |
| Cash and bank balances | 6,120 | 808 |
| Cash equivalents | 8,144 | 2,897 |
| Total assets | 680,972 | 378,034 |
| Liabilities | | |
| Investment liabilities | 0 | (5) |
| Creditors | | |
| Bank overdrafts | 0 | (117) |
| Distribution payable | 0 | (5,550) |
| Other creditors | (21,926) | (1,764) |
| Deferred tax provision | (1,436) | (1,217) |
| Total liabilities | (23,362) | (8,653) |
| Net assets attributable to shareholders | 657,610 | 369,381 |

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 30 August 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 charge figure, than that of the MSCI Europe ex UK Index over any five-year period; and
- To invest in companies that contribute towards the Paris Agreement climate change goal.

Investment policy

At least 80% of the fund is invested directly in equity securities and equity-related securities of companies across any sector and market capitalisation that are incorporated, domiciled or listed in Europe, excluding the UK. The fund has a concentrated portfolio and usually holds fewer than 35 companies.

The fund invests in securities that meet the ESG Criteria and Sustainability 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 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 as disclosed in the ESG Information

section below. Further information on the exclusions applicable to the fund can be found in this document.

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 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 manager will assess the suitability of such instruments relative to the fund's investment objective.

Investment approach

The fund is a focused Europe ex UK equity fund, investing over the long term in sustainable companies which contribute to the long-term global warming objectives of the Paris Agreement, by either having a Low Carbon Intensity and/or a Reducing Carbon Intensity. Low Carbon Intensity means a carbon intensity lower than 50% of the weighted average carbon intensity of the fund's benchmark, the MSCI Europe ex UK Index. Reducing Carbon Intensity companies mean companies that have Science Based Targets aligned with the Paris Agreement or have committed to have them in place within a defined time period. The fund manager considers that active engagement with these companies is key to sustain positive change.

In addition, these companies need to demonstrate business models competitively positioned to protect their profitability as well as an ongoing commitment to decarbonisation. Importantly, the fund invests in businesses where short-term issues have provided a clear valuation opportunity. The fund employs a bottom-up stock picking approach, driven by the fundamental analysis of individual companies. The fund

Authorised Corporate Director's Report

manager believes that this approach offers a powerful combination, providing the long-term compounded value of quality businesses, as well as the potential boost to a company's share price when a short-term issue has been resolved.

Sustainability considerations encompassing ESG factors are fully integrated into the investment process through ongoing engagement with investee companies. In particular, climate considerations, including investing in Low and/or Reducing Carbon Intensity companies and non-mandatory factors such as whether companies are providing direct solutions to the climate challenge via their products and services, play an important role in determining the investment universe, stock selection, and portfolio construction, alongside other sustainability considerations. The fund will typically have a weighted average carbon intensity of less than half that of the MSCI Europe ex UK Index.

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 European Sustain Paris Aligned Fund – ESG Criteria and Sustainability Criteria' which includes the fund's exclusions approach.
- An Annual ESG and Sustainability Report providing an assessment of the sustainable objective of the fund will also be published when available.
- Any other periodic reporting against the sustainable objective of the fund.

Benchmark

MSCI Europe ex UK Index

The benchmark is the 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 is also used to define what a Low Carbon Intensity company is and to measure the fund's weighted average carbon intensity but does not otherwise constrain the fund's portfolio construction.

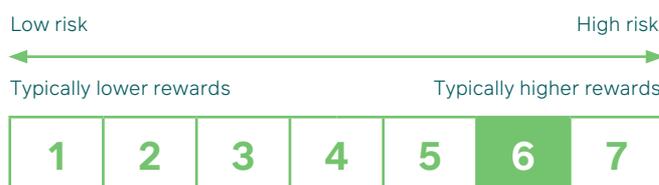
The fund is actively managed and within given constraints, the fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents, and as a result the fund's performance may deviate materially 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.

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 28 February 2025

Performance against objective

Between 1 September 2024 (the start of the review period) and 28 February 2025, the M&G European Sustain Paris Aligned Fund delivered a positive total return (the combination of income and growth of capital) across all of its sterling share classes. However, the fund underperformed its benchmark, the MSCI Europe ex UK Index, which returned 4.5% over the same period.

Over five years, the fund has outperformed its benchmark. The fund has therefore achieved its financial objective which is to provide a higher total return (capital growth plus income), net of the ongoing charge figure, than that of the MSCI Europe ex UK Index over any five-year period. The index delivered an annualised return of 10.0% over this period.

With regards to the fund's non-financial objective to invest in companies that contribute towards the Paris Agreement climate change goal (ie companies that have a low and/or reducing carbon intensity), data at the end of the period showed the fund's weighted average carbon intensity (WACI) was more than 50% lower than the WACI of the fund's benchmark.

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 performance of European equities was mixed in the period under review. In the last four months of 2024, investor sentiment was dampened by worries about the region's economic outlook, concerns about the impact of potential US trade tariffs and political uncertainty.

However, eurozone equities made gains in January and February. In January, markets were boosted by the sell-off in US tech stocks (triggered by Chinese start-up DeepSeek's latest AI model release). Concerns about US trade tariffs also abated. In February, banks and defence stocks performed particularly well. The start of negotiations between the US and Russia on the war in

Ukraine led investors to expect an increase in defence spending in Europe.

Stock selection in the healthcare, industrials and financials sectors proved particularly detrimental to relative returns. The fund's below-benchmark position in financials also had an adverse impact on relative performance. In contrast, stockpicking in technology boosted relative returns, as did the fund's above-benchmark position in communication services.

Key detractors from relative performance included Novo Nordisk and Pernod Ricard. 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. In November, Novo Nordisk's share price was dented by underwhelming 2025 guidance and concerns that Donald Trump's selection of Robert F Kennedy Jr (RFK) as US Health Secretary could have negative consequences for the pharma industry. The company's share price fell again in December following disappointing data on its weight-loss medication CagriSema.

The top contributors to relative performance were German digital company Scout24 and Irish bank AIB.

Investment activities

During the period, we opened a position in wine and spirit producer Pernod Ricard. We believe Pernod Ricard is a high-quality company with strong climate policies and governance structures.

Outlook

Following on from an eventful 2024, we expect 2025 to also be lively. Political regimes have challenged Paris alignment and climate change efforts in some parts of the world. We do not consider this a meaningful performance headwind for us, but it does slightly complicate our endeavours to realise the decarbonisation plans of individual companies. In our view, the rise of political populism at the expense of our planet only makes our work more important. Fortunately, we still envisage good progress for our companies and most segments of the market.

Authorised Corporate Director's Report

The financial winners and losers seem quite obvious, and markets are increasingly polarised. American exceptionalism is encouraging investors to purchase US equities and the AI revolution is incentivising investors to buy 'AI companies'. Consumer demand in China is weak, Europe is performing poorly and the healthcare sector is unexciting. It is not hard to form conclusions. However, a clear narrative does not necessarily tell us where the value is, or lead to future outperformance. In our opinion, the future fundamentals of businesses will have to be more positive or negative than currently expected to drive value. We still think maintaining a balanced portfolio makes sense, and we see good opportunities in several parts of the market.

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 28.02.25 €'000 | as at 28.02.25 % | as at 31.08.24 % |
|---|-------------------------|---------------------|---------------------|
| Equities | 1,000,429 | 98.36 | 97.26 |
| Chemicals | 47,245 | 4.64 | 4.61 |
| 470,978 Akzo Nobel NV | 28,287 | 2.78 | |
| 42,766 Linde PLC | 18,958 | 1.86 | |
| Electrical equipment | 100,596 | 9.89 | 11.12 |
| 393,437 Legrand SA | 41,331 | 4.06 | |
| 217,076 Schneider Electric SE | 50,318 | 4.95 | |
| 662,349 Vestas Wind Systems AS | 8,947 | 0.88 | |
| Industrial conglomerates | 41,529 | 4.08 | 3.27 |
| 188,726 Siemens AG | 41,529 | 4.08 | |
| Machinery | 62,893 | 6.18 | 6.09 |
| 514,413 ANDRITZ AG | 29,038 | 2.85 | |
| 3,190,849 Metso OYJ | 33,855 | 3.33 | |
| Commercial services & supplies | 34,525 | 3.39 | 2.89 |
| 1,255,938 ISS AS | 27,280 | 2.68 | |
| 123,006 Societe BIC SA | 7,245 | 0.71 | |
| Air freight & logistics | 32,439 | 3.19 | 3.28 |
| 168,424 DSV AS | 32,439 | 3.19 | |
| Marine | 20,229 | 1.99 | 2.63 |
| 92,006 Kuehne & Nagel International AG | 20,229 | 1.99 | |
| Textiles, apparel & luxury goods | 32,883 | 3.23 | 3.13 |
| 194,565 Pandora AS | 32,883 | 3.23 | |
| Speciality retail | 18,461 | 1.81 | 2.04 |
| 1,308,295 WH Smith PLC | 18,461 | 1.81 | |
| Beverages | 25,392 | 2.50 | 0.00 |
| 246,647 Pernod Ricard SA | 25,392 | 2.50 | |
| Food products | 32,405 | 3.19 | 3.44 |
| 348,621 Nestle SA | 32,405 | 3.19 | |
| Health care providers & services | 21,161 | 2.08 | 1.63 |
| 458,432 Fresenius Medical Care AG | 21,161 | 2.08 | |
| Pharmaceuticals | 81,451 | 8.01 | 12.16 |
| 1,422,499 ALK-Abello AS | 29,239 | 2.88 | |
| 610,554 Novo Nordisk AS | 52,212 | 5.13 | |

Portfolio statement

Investments (continued)

| Holding | as at 28.02.25 €'000 | as at 28.02.25 % | as at 31.08.24 % |
|--|-------------------------|---------------------|---------------------|
| Equities (continued) | | | |
| Banks | 140,447 | 13.81 | 12.62 |
| 9,392,259 AIB Group PLC | 61,895 | 6.08 | |
| 1,214,554 FincoBank Banca Finco SpA | 21,759 | 2.14 | |
| 1,651,486 ING Groep NV | 28,151 | 2.77 | |
| 447,011 Lion Finance Group PLC | 28,642 | 2.82 | |
| Insurance | 47,524 | 4.67 | 4.85 |
| 186,297 Hannover Rueck SE | 47,524 | 4.67 | |
| IT services | 36,372 | 3.58 | 3.08 |
| 496,071 Amadeus IT Group SA | 36,372 | 3.58 | |
| Software | 61,001 | 6.00 | 5.66 |
| 230,453 SAP SE | 61,001 | 6.00 | |
| Entertainment | 85,932 | 8.45 | 7.28 |
| 523,504 CTS Eventim AG & Co. KGaA | 55,230 | 5.43 | |
| 1,137,126 Universal Music Group NV | 30,702 | 3.02 | |
| Interactive media & services | 55,690 | 5.48 | 4.64 |
| 589,937 Scout24 SE | 55,690 | 5.48 | |
| Electric utilities | 22,254 | 2.19 | 2.84 |
| 528,752 Orsted AS | 22,254 | 2.19 | |
| Total portfolio | 1,000,429 | 98.36 | 97.26 |
| Net other assets/(liabilities) | 16,679 | 1.64 | 2.74 |
| Net assets attributable to shareholders | 1,017,108 | 100.00 | 100.00 |

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

Portfolio statement

Top ten portfolio transactions for the six months to
28 February 2025

| Largest purchases | €'000 |
|---------------------------|---------------|
| Pernod Ricard SA | 32,533 |
| CTS Eventim AG & Co. KGaA | 610 |
| Hannover Rueck SE | 602 |
| Siemens AG | 428 |
| ANDRITZ AG | 428 |
| Amadeus IT Group SA | 423 |
| Orsted AS | 402 |
| Nestle SA | 394 |
| Metso OYJ | 372 |
| Pandora AS | 371 |
| Other purchases | 3,156 |
| Total purchases | 39,719 |

| Largest sales | €'000 |
|---------------------------|---------------|
| SAP SE | 15,603 |
| Scout24 SE | 7,712 |
| DSV AS | 7,058 |
| ALK-Abello AS | 7,013 |
| Novo Nordisk AS | 6,958 |
| AIB Group PLC | 5,505 |
| Schneider Electric SE | 5,428 |
| Legrand SA | 4,913 |
| Hannover Rueck SE | 2,692 |
| CTS Eventim AG & Co. KGaA | 2,587 |
| Other sales | 26,190 |
| Total sales | 91,659 |

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

| Share class | Six months % ^a | Three years % pa | Five years % pa | Ten years % pa |
|-------------------------|------------------------------|---------------------|--------------------|-------------------|
| Sterling | | | | |
| Class 'A' Income | +3.5 | +13.2 | +11.6 | +8.7 |
| Class 'A' Accumulation | +3.5 | +13.2 | +11.6 | +8.7 |
| Class 'I' Income | +3.7 | +13.6 | +12.1 | +9.3 |
| Class 'I' Accumulation | +3.7 | +13.6 | +12.1 | +9.3 |
| Class 'PP' Income | +3.8 | +13.7 | n/a | n/a |
| Class 'PP' Accumulation | +3.8 | +13.7 | n/a | n/a |
| Class 'R' Income | +3.6 | +13.3 | +11.8 | +9.1 |
| Class 'R' Accumulation | +3.6 | +13.3 | +11.8 | +9.1 |
| Benchmark | +4.5 | +10.5 | +10.0 | +7.9 |

^a 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 29 September 1989.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|------------|------------|------------|
| Closing NAV (€'000) | 162,248 | 159,650 | 150,291 |
| Number of shares | 42,258,159 | 43,652,215 | 47,096,644 |
| Closing NAV per share (UK p) | 316.99 | 307.63 | 273.62 |
| Operating charges (%) | 0.95 | 0.95 | 0.95 |

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (€'000) | 36,434 | 35,280 | 30,200 |
| Number of shares | 1,160,435 | 1,182,016 | 1,164,276 |
| Closing NAV per share (UK p) | 2,592.14 | 2,510.62 | 2,224.10 |
| Operating charges (%) | 0.55 | 0.55 | 0.55 |

Sterling Class 'PP' Income shares

The share class was launched on 2 September 2021.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (€'000) | 4,919 | 2,687 | 1,389 |
| Number of shares | 3,401,976 | 1,955,948 | 1,164,882 |
| Closing NAV per share (UK p) | 119.37 | 115.56 | 102.27 |
| Operating charges (%) | 0.45 | 0.45 | 0.45 |

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (€'000) | 5,380 | 5,246 | 4,741 |
| Number of shares | 1,772,178 | 1,815,489 | 1,883,172 |
| Closing NAV per share (UK p) | 250.64 | 243.06 | 215.86 |
| Operating charges (%) | 0.80 | 0.80 | 0.80 |

Sterling Class 'A' Accumulation shares

The share class was launched on 29 September 1989.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|------------|------------|------------|
| Closing NAV (€'000) | 132,109 | 132,432 | 123,537 |
| Number of shares | 14,309,065 | 15,127,470 | 16,539,897 |
| Closing NAV per share (UK p) | 762.25 | 736.37 | 640.43 |
| Operating charges (%) | 0.95 | 0.95 | 0.95 |

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (€'000) | 130,642 | 111,421 | 79,801 |
| Number of shares | 3,105,700 | 2,799,037 | 2,359,075 |
| Closing NAV per share (UK p) | 3,472.94 | 3,348.33 | 2,900.51 |
| Operating charges (%) | 0.55 | 0.55 | 0.55 |

Sterling Class 'PP' Accumulation shares

The share class was launched on 2 September 2021.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-------------|-------------|----------|
| Closing NAV (€'000) | 516,929 | 552,355 | 1,059 |
| Number of shares | 333,540,577 | 376,799,368 | 851,236 |
| Closing NAV per share (UK p) | 127.95 | 123.30 | 106.70 |
| Operating charges (%) | 0.45 | 0.45 | 0.45 |

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (€'000) | 28,447 | 28,388 | 25,407 |
| Number of shares | 6,984,483 | 7,356,083 | 7,728,268 |
| Closing NAV per share (UK p) | 336.27 | 324.61 | 281.90 |
| Operating charges (%) | 0.80 | 0.80 | 0.80 |

Financial statements and notes

Financial statements

Statement of total return

| for the six months to 28 February and 29 February | 2025 | | 2024 | |
|---|---------|---------------|---------|---------------|
| | €'000 | €'000 | €'000 | €'000 |
| Income | | | | |
| Net capital gains/(losses) | | 52,976 | | 98,528 |
| Revenue | 4,940 | | 3,132 | |
| Expenses | (3,062) | | (2,824) | |
| Interest payable and similar charges | 0 | | 0 | |
| Net revenue/(expense) before taxation | 1,878 | | 308 | |
| Taxation | (247) | | 685 | |
| Net revenue/(expense) after taxation | | 1,631 | | 993 |
| Total return before distributions | | 54,607 | | 99,521 |
| Distributions | | (2,501) | | (1,891) |
| Change in net assets attributable to shareholders from investment activities | | 52,106 | | 97,630 |

Statement of change in net assets attributable to shareholders

| for the six months to 28 February and 29 February | 2025 | | 2024 | |
|--|-----------|------------------|----------|------------------|
| | €'000 | €'000 | €'000 | €'000 |
| Opening net assets attributable to shareholders | | 1,027,459 | | 416,425 |
| Amounts received on issue of shares | 65,303 | | 566,458 | |
| Amounts paid on cancellation of shares | (129,351) | | (42,989) | |
| | | (64,048) | | 523,469 |
| Dilution adjustments | | 56 | | 1,222 |
| Change in net assets attributable to shareholders from investment activities (see above) | | 52,106 | | 97,630 |
| Retained distributions on Accumulation shares | | 1,517 | | 1,085 |
| Unclaimed distributions | | 18 | | 16 |
| Closing net assets attributable to shareholders | | 1,017,108 | | 1,039,847 |

The opening net assets attributable to shareholders for 2025 differs to the closing position in 2024 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 | 28 February 2025 €'000 | 31 August 2024 €'000 |
|--|---------------------------|-------------------------|
| Assets | | |
| Fixed assets | | |
| Investments | 1,000,429 | 999,267 |
| Current assets | | |
| Debtors | 12,334 | 3,993 |
| Cash and bank balances | 38 | 818 |
| Cash equivalents | 13,816 | 29,006 |
| Total assets | 1,026,617 | 1,033,084 |
| Liabilities | | |
| Creditors | | |
| Bank overdrafts | (4,911) | 0 |
| Distribution payable | (952) | (3,831) |
| Other creditors | (3,646) | (1,794) |
| Total liabilities | (9,509) | (5,625) |
| Net assets attributable to shareholders | 1,017,108 | 1,027,459 |

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 30 August 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 charge figure, than that of the MSCI World Index over any five-year period; and
- To invest in companies that contribute towards the Paris Agreement climate change goal.

Investment policy

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

The fund invests in securities that meet the ESG Criteria and Sustainability 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 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 as disclosed in the ESG Information section below. Further information on the exclusions applicable to the fund can be found in this document.

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 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 manager will assess the suitability of such instruments relative to the fund's investment objective.

Investment approach

The fund is a focused core global equity fund, investing over the long term in sustainable companies which contribute to the long-term global warming objectives of the Paris Agreement, by either having a Low Carbon Intensity and/or a Reducing Carbon Intensity. Low Carbon Intensity means a carbon intensity lower than 50% of the weighted average carbon intensity of the fund's benchmark, the MSCI World Index. Reducing Carbon Intensity companies means companies that have Science Based Targets aligned with the Paris Agreement or have committed to have them in place within a defined time period. The fund manager considers that active engagement with these companies is key to sustain positive change.

In addition, these companies need to demonstrate business models competitively positioned to protect their profitability as well as an ongoing commitment to decarbonisation.

Importantly, the fund invests in businesses where short-term issues have provided a clear valuation opportunity. The fund employs a bottom-up stock picking approach, driven by the fundamental analysis of

Authorised Corporate Director’s Report

individual companies. The fund manager believes that this approach offers a powerful combination, providing the long-term compounded value of quality businesses, as well as the potential boost to a company’s share price when a short-term issue has been resolved.

Sustainability considerations encompassing ESG factors are fully integrated into the investment process through ongoing engagement with investee companies. In particular, climate considerations, including investing in Low and/or Reducing Carbon Intensity companies and non-mandatory factors such as whether companies are providing direct solutions to the climate challenge via their products and services, play an important role in determining the investment universe, stock selection, and portfolio construction, alongside other sustainability considerations. The fund will typically have a weighted average carbon intensity of less than half that of the MSCI World Index.

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 Global Sustain Paris Aligned Fund – ESG Criteria and Sustainability Criteria’ which includes the fund’s exclusions approach.
- An Annual ESG and Sustainability Report providing an assessment of the sustainable objective of the fund will also be published when available.
- Any other periodic reporting against the sustainable objective of the fund.

Benchmark

MSCI World Index

The benchmark is the 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 is also used to define what a Low Carbon Intensity company is. The fund manager considers the fund’s weighted average carbon intensity against the benchmark when constructing the portfolio, but the benchmark does not otherwise constrain portfolio construction.

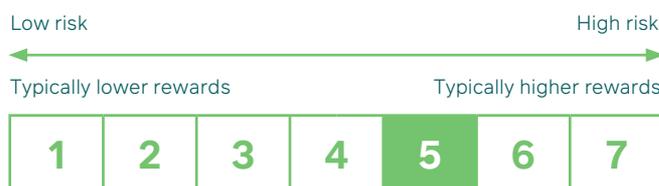
The fund is actively managed and within given constraints, the fund manager has freedom in choosing which investments to buy, hold and sell in the fund. The fund’s holdings may deviate significantly from the benchmark’s constituents, and as a result the fund’s performance may deviate materially from 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.

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 28 February 2025

Performance against objective

Between 1 September 2024 (the start of the review period) and 28 February 2025, the M&G Global Sustain Paris Aligned 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 9.3% over the same period.

Over five years, the fund generated a positive annualised total return across all its share classes, but underperformed its benchmark which returned 14.8% pa over the period. The fund therefore did not meet its financial objective which is to provide a higher total return (capital growth plus income), net of the ongoing charge figure, than that of the MSCI World Index over any five-year period.

With regards to the fund's non-financial objective to invest in companies that contribute towards the Paris Agreement climate change goal (ie, companies that have a low and/or reducing carbon intensity), data at the end of the period showed the fund's weighted average carbon intensity (WACI) was more than 50% lower than the WACI of the fund's benchmark.

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 performance of global equities was mixed in the period under review. A significant rate cut from the US Federal Reserve (Fed) in September, strong economic growth and continued excitement about artificial intelligence (AI) boosted markets. In the final quarter of 2024, Donald Trump's victory in the US elections buoyed US equities.

However, the period also brought turbulence. In the last quarter of 2024, eurozone equities faltered, primarily a result of concerns about the region's economic outlook, worries about the impact of potential US trade tariffs and political uncertainty. Chinese equities also declined

during the quarter despite measures to bolster the country's economy.

In December, the Fed's hawkish approach to interest rate cuts in 2025 dampened sentiment. Furthermore, markets were briefly rocked in January after Chinese startup DeepSeek released its latest AI model. This achieves a comparable performance to US rivals, but at much less cost. Finally, in February, weak economic data and concerns about the ramifications of trade tariffs proved detrimental to US markets.

Stock selection in technology and healthcare had a particularly negative effect on relative performance. The fund's below-benchmark position in consumer discretionary also had an adverse impact on relative returns. In contrast, stockpicking in industrials had a positive effect on relative performance, as did the fund's above-benchmark position in financials.

Novo Nordisk was the biggest individual detractor from relative performance. 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. In November, Novo Nordisk's share price was dented by underwhelming 2025 guidance and concerns that Trump's selection of Robert F Kennedy Jr (RFK) as US Health Secretary could have negative consequences for the pharma industry. The company's share price fell again in December following disappointing data on its weight-loss medication CagriSema.

The top contributors to relative performance were Discover Financial Services and Visa. Discover Financial Services' share price rose in November on the back of investor belief that its merger with Capital One would be more likely to obtain regulatory approval under a Trump administration. In January, Discover Financial Services' fourth-quarter results impressed investors, leading to another rise in its share price.

Investment activities

In November, we decided to close our position in transport and logistics company Kuehne & Nagel.

Authorised Corporate Director's Report

Outlook

Following on from an eventful 2024, we expect the next year to also be lively. Political regimes have challenged Paris alignment and climate change efforts in some parts of the world. We do not consider this a meaningful performance headwind for us, but it does slightly complicate our endeavours to realise the decarbonisation plans of individual companies. In our view, the rise of political populism at the expense of our planet only makes our work more important. Fortunately, we still envisage good progress for our companies and most segments of the market.

The financial winners and losers seem quite obvious and markets are increasingly polarised. American exceptionalism is encouraging investors to buy US equities, and the AI revolution is incentivising investors to buy 'AI companies'. Consumer demand in China is weak, Europe is performing poorly and the healthcare sector is unexciting. It is not hard to form conclusions. However, a clear narrative does not necessarily tell us where the value is, or lead to future outperformance. In our opinion, the future fundamentals of businesses will have to be more positive or negative than currently expected to drive value. We still think maintaining a balanced portfolio makes sense, and we see good opportunities in several parts of the market.

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 28.02.25 \$'000 | as at 28.02.25 % | as at 31.08.24 % |
|---|--------------------------|---------------------|---------------------|
| Equities | 905,238 | 99.08 | 98.79 |
| Chemicals | 22,059 | 2.41 | 2.39 |
| 47,852 Linde PLC | 22,059 | 2.41 | |
| Containers & packaging | 15,630 | 1.71 | 1.99 |
| 300,167 Ball Corp. | 15,630 | 1.71 | |
| Building products | 32,286 | 3.53 | 2.90 |
| 381,805 Johnson Controls International PLC | 32,286 | 3.53 | |
| Electrical equipment | 43,993 | 4.81 | 4.93 |
| 182,505 Schneider Electric SE | 43,993 | 4.81 | |
| Industrial conglomerates | 30,901 | 3.38 | 2.70 |
| 135,037 Siemens AG | 30,901 | 3.38 | |
| Machinery | 40,401 | 4.42 | 3.92 |
| 205,003 Graco, Inc. | 17,668 | 1.93 | |
| 758,972 Weir Group PLC | 22,733 | 2.49 | |
| Commercial services & supplies | 12,841 | 1.41 | 1.12 |
| 568,482 ISS AS | 12,841 | 1.41 | |
| Marine | 0 | 0.00 | 1.90 |
| Speciality retail | 51,139 | 5.60 | 5.61 |
| 416,093 eBay, Inc. | 26,663 | 2.92 | |
| 1,668,013 WH Smith PLC | 24,476 | 2.68 | |
| Food products | 15,518 | 1.70 | 1.84 |
| 160,540 Nestle SA | 15,518 | 1.70 | |
| Household products | 10,315 | 1.13 | 0.95 |
| 154,927 Reckitt Benckiser Group PLC | 10,315 | 1.13 | |
| Personal products | 31,120 | 3.41 | 3.82 |
| 554,343 Unilever PLC | 31,120 | 3.41 | |
| Health care equipment & supplies | 23,803 | 2.60 | 2.71 |
| 106,046 Becton Dickinson & Co. | 23,803 | 2.60 | |
| Health care providers & services | 42,858 | 4.69 | 5.75 |
| 91,480 UnitedHealth Group, Inc. | 42,858 | 4.69 | |
| Pharmaceuticals | 36,433 | 3.99 | 6.03 |
| 409,694 Novo Nordisk AS | 36,433 | 3.99 | |

Portfolio statement

Investments (continued)

| Holding | as at 28.02.25 \$'000 | as at 28.02.25 % | as at 31.08.24 % |
|---|-------------------------------|---------------------|---------------------|
| Equities (continued) | | | |
| Banks | | | |
| 1,362,246 | HDFC Bank Ltd. | 26,934 | 2.95 |
| 941,985 | ING Groep NV | 16,698 | 1.83 |
| Consumer finance | | | |
| 146,521 | American Express Co. | 43,251 | 4.73 |
| 207,789 | Discover Financial Services | 39,872 | 4.37 |
| Capital markets | | | |
| 255,297 | Bank of New York Mellon Corp. | 22,237 | 2.44 |
| 73,407 | Morningstar, Inc. | 22,859 | 2.50 |
| Insurance | | | |
| 1,102,700 | Tokio Marine Holdings, Inc. | 39,107 | 4.28 |
| IT services | | | |
| 121,429 | Visa, Inc. | 43,272 | 4.74 |
| Software | | | |
| 51,209 | Adobe, Inc. | 22,447 | 2.46 |
| 137,306 | ANSYS, Inc. | 45,435 | 4.97 |
| 117,002 | Manhattan Associates, Inc. | 20,579 | 2.25 |
| 168,845 | Microsoft Corp. | 66,234 | 7.25 |
| Electronic equipment, instruments & components | | | |
| 144,070 | SolarEdge Technologies, Inc. | 2,553 | 0.28 |
| Interactive media & services | | | |
| 304,361 | Alphabet, Inc. | 51,467 | 5.63 |
| 311,000 | Tencent Holdings Ltd. | 19,201 | 2.10 |
| Electric utilities | | | |
| 315,198 | Orsted AS | 13,795 | 1.51 |
| Total portfolio | | 905,238 | 99.08 |
| Net other assets/(liabilities) | | 8,379 | 0.92 |
| Net assets attributable to shareholders | | 913,617 | 100.00 |

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

Portfolio statement

Top ten portfolio transactions for the six months to
28 February 2025

| Largest purchases | \$'000 |
|-----------------------------|---------------|
| ANSYS, Inc. | 21,473 |
| Microsoft Corp. | 2,143 |
| Alphabet, Inc. | 1,679 |
| Schneider Electric SE | 1,344 |
| UnitedHealth Group, Inc. | 1,339 |
| Novo Nordisk AS | 1,277 |
| American Express Co. | 1,262 |
| Tokio Marine Holdings, Inc. | 1,118 |
| Visa, Inc. | 1,091 |
| Discover Financial Services | 1,039 |
| Other purchases | 13,085 |
| Total purchases | 46,850 |

| Largest sales | \$'000 |
|---------------------------------|---------------|
| Kuehne & Nagel International AG | 14,003 |
| Manhattan Associates, Inc. | 6,562 |
| Microsoft Corp. | 3,521 |
| UnitedHealth Group, Inc. | 2,536 |
| Alphabet, Inc. | 2,487 |
| Novo Nordisk AS | 2,360 |
| Schneider Electric SE | 2,116 |
| American Express Co. | 2,007 |
| Tokio Marine Holdings, Inc. | 1,980 |
| Visa, Inc. | 1,712 |
| Other sales | 24,205 |
| Total sales | 63,489 |

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

| Share class | Six months % ^a | Three years % pa | Five years % pa | Ten years % pa |
|------------------------------|------------------------------|---------------------|--------------------|-------------------|
| Sterling | | | | |
| Class 'A' Income | +1.5 | +9.5 | +12.1 | +10.8 |
| Class 'A' Accumulation | +1.5 | +9.5 | +12.1 | +10.8 |
| Class 'I' Income | +1.7 | +9.9 | +12.6 | +11.4 |
| Class 'I' Accumulation | +1.7 | +9.9 | +12.6 | +11.4 |
| Class 'PP' Income | +1.8 | +10.2 | n/a | n/a |
| Class 'PP' Accumulation | +1.8 | +10.2 | n/a | n/a |
| Class 'R' Income | +1.6 | +9.7 | +12.3 | +11.2 |
| Class 'R' Accumulation | +1.6 | +9.7 | +12.3 | +11.2 |
| Benchmark^b | +9.3 | +13.1 | +14.8 | +12.5 |

^a Not annualised.

^b Prior to 31 December 2015, the benchmark was the MSCI ACWI Index. Thereafter it is the MSCI World Index.

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 19 December 1967.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|------------|------------|------------|
| Closing NAV (\$'000) | 283,226 | 296,827 | 302,554 |
| Number of shares | 31,648,026 | 32,205,189 | 38,538,165 |
| Closing NAV per share (UK p) | 710.51 | 699.69 | 619.15 |
| Operating charges (%) | 1.10 | 1.14 | 1.30 |

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 56,745 | 68,601 | 55,827 |
| Number of shares | 1,267,709 | 1,491,071 | 1,430,255 |
| Closing NAV per share (UK p) | 3,553.81 | 3,492.73 | 3,078.27 |
| Operating charges (%) | 0.70 | 0.74 | 0.90 |

Sterling Class 'PP' Income shares

The share class was launched on 2 September 2021.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|------------|------------|----------|
| Closing NAV (\$'000) | 20,139 | 18,873 | 76 |
| Number of shares | 12,912,291 | 11,778,438 | 56,086 |
| Closing NAV per share (UK p) | 123.83 | 121.64 | 107.06 |
| Operating charges (%) | 0.60 | 0.60 | 0.60 |

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|----------|-----------|-----------|
| Closing NAV (\$'000) | 4,173 | 4,619 | 4,263 |
| Number of shares | 952,461 | 1,024,371 | 1,111,682 |
| Closing NAV per share (UK p) | 347.85 | 342.30 | 302.44 |
| Operating charges (%) | 0.95 | 0.99 | 1.15 |

Sterling Class 'A' Accumulation shares

The share class was launched on 19 December 1967.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 169,397 | 183,992 | 153,612 |
| Number of shares | 8,657,506 | 9,130,687 | 9,076,347 |
| Closing NAV per share (UK p) | 1,553.46 | 1,529.77 | 1,334.74 |
| Operating charges (%) | 1.10 | 1.14 | 1.30 |

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 328,924 | 343,339 | 242,313 |
| Number of shares | 6,210,365 | 6,307,167 | 5,321,094 |
| Closing NAV per share (UK p) | 4,204.97 | 4,132.58 | 3,591.34 |
| Operating charges (%) | 0.70 | 0.74 | 0.90 |

Sterling Class 'PP' Accumulation shares

The share class was launched on 2 September 2021.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|------------|------------|----------|
| Closing NAV (\$'000) | 28,407 | 20,402 | 1,258 |
| Number of shares | 17,429,503 | 12,185,179 | 899,486 |
| Closing NAV per share (UK p) | 129.40 | 127.11 | 110.30 |
| Operating charges (%) | 0.60 | 0.60 | 0.60 |

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 22,606 | 24,006 | 21,602 |
| Number of shares | 4,405,139 | 4,545,823 | 4,877,719 |
| Closing NAV per share (UK p) | 407.42 | 400.90 | 349.27 |
| Operating charges (%) | 0.95 | 0.99 | 1.15 |

Financial statements and notes

Financial statements

Statement of total return

| for the six months to 28 February and 29 February | 2025 | | 2024 | |
|---|---------|-----------------|---------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Income | | | | |
| Net capital gains/(losses) | | (27,260) | | 66,880 |
| Revenue | 6,107 | | 4,892 | |
| Expenses | (4,253) | | (4,056) | |
| Interest payable and similar charges | (3) | | (1) | |
| Net revenue/(expense) before taxation | 1,851 | | 835 | |
| Taxation | (1,038) | | (587) | |
| Net revenue/(expense) after taxation | | 813 | | 248 |
| Total return before equalisation | | (26,447) | | 67,128 |
| Equalisation | | (30) | | (33) |
| Change in net assets attributable to shareholders from investment activities | | (26,477) | | 67,095 |

Statement of change in net assets attributable to shareholders

| for the six months to 28 February and 29 February | 2025 | | 2024 | |
|--|----------|----------------|----------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening net assets attributable to shareholders | | 960,659 | | 781,505 |
| Amounts received on issue of shares | 67,573 | | 86,992 | |
| Amounts paid on cancellation of shares | (88,194) | | (61,090) | |
| | | (20,621) | | 25,902 |
| Dilution adjustments | | 33 | | 119 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (26,477) | | 67,095 |
| Unclaimed distributions | | 23 | | 32 |
| Closing net assets attributable to shareholders | | 913,617 | | 874,653 |

The opening net assets attributable to shareholders for 2025 differs to the closing position in 2024 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 | 28 February 2025 \$'000 | 31 August 2024 \$'000 |
|--|----------------------------|--------------------------|
| Assets | | |
| Fixed assets | | |
| Investments | 905,238 | 949,060 |
| Current assets | | |
| Debtors | 6,120 | 4,582 |
| Cash and bank balances | 770 | 1,788 |
| Cash equivalents | 14,652 | 16,482 |
| Total assets | 926,780 | 971,912 |
| Liabilities | | |
| Creditors | | |
| Bank overdrafts | (3,929) | (1,823) |
| Distribution payable | 0 | (5,512) |
| Other creditors | (8,340) | (3,270) |
| Deferred tax provision | (894) | (648) |
| Total liabilities | (13,163) | (11,253) |
| Net assets attributable to shareholders | 913,617 | 960,659 |

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 30 August 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 will invest at least 80% of its net asset value in the equity securities of companies across any sectors and market capitalisations that are domiciled in any country, including emerging markets.

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

Derivatives may be used for efficient portfolio management.

Investment approach

The investment process of the fund combines top-down and bottom-up analysis. The fund manager aims to identify themes arising from long-term structural shifts, changes or trends. Stocks that can benefit from these themes are then selected on the basis of their quality, growth and valuation.

Themes are identified through the analysis of global macroeconomics, demographics, government policies and spending, and technological innovation, among other considerations.

The bottom-up stock selection process is designed to identify well-run companies which can benefit from those themes and which are trading on attractive valuations with good, sustainable growth prospects.

The fund is invested across the market-cap spectrum and is geographically diversified.

Benchmark

MSCI ACWI Index

The benchmark is a target which the fund seeks to outperform. The index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

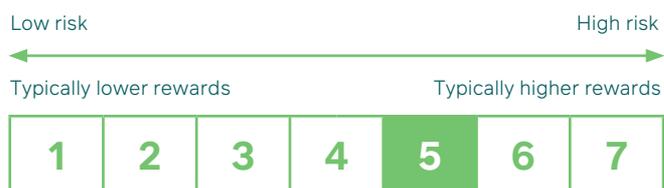
The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents.

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

Risk profile

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

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 28 February 2025

Performance against objective

Between 1 September 2024 (the start of the review period) and 28 February 2025, the fund delivered a positive total return (the combination of income and growth of capital) across all its share classes. All the share classes underperformed the benchmark, the MSCI ACWI Index, which returned 8.8% in sterling.

Over five years, the fund generated a positive total return across all its share classes but lagged the benchmark which returned 13.6% pa in sterling. Consequently, the fund did not meet the objective of providing a higher total return than that of the MSCI ACWI Index over any five-year period.

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

Performance review

Global equity markets experienced a substantial rally, fuelled by central bank actions and political developments. Equities appreciated as various central banks began easing their monetary policy in response to signs of improving inflation, although Trump's victory in the US presidential elections further accelerated their rise. Despite this, geopolitical uncertainties, including trade tensions and tariff threats, introduced volatility into the markets. The US Federal Reserve's hawkish guidance on future interest-rate cuts also unsettled financial markets. Towards the end of the period, the momentum did not sustain, as US equities declined, influenced by economic uncertainty, global geopolitical risks and federal layoffs. Additionally, international trade confrontations, economic data and tariff fatigue also dampened investor sentiment. Overall, although the initial rally was significant, the latter part of the period was marked by increased volatility and regional disparities in performance.

The beginning of the period was dominated by the 'Magnificent Seven' (Mag7) US technology stocks with the rest of the market struggling in their wake.

However, in January 2025, US technology stocks fell after Chinese artificial intelligence (AI) start-up DeepSeek released its latest large language model. DeepSeek's new AI model apparently achieved a comparable performance to US rivals, but by using far less computing power. This led investors to reassess demand for AI hardware and technology stocks experienced an aggressive sell-off. The volatility around the 'Mag7' stocks continued into February where big tech stocks posted their worst monthly performance since December 2022.

From a sector perspective, the standout performer was communication services. Financials and consumer discretionary were also strong. Conversely, the health care and materials sector detracted the most during the review period.

Fund Review

Against this backdrop, the fund generated a positive return but lagged its benchmark. Sector allocation detracted from relative performance; however, it was partially offset by favourable security selection. The below-benchmark position in financials and above-benchmark exposure to materials held back relative returns, although this was partially offset by avoiding consumer staples. Stock picking in materials, industrials and consumer discretionary was beneficial, whereas stock picking in real estate and utilities dragged.

At the individual stock level, our position in digital mobile infrastructure company, Crown Castle, detracted from relative performance as its shares tumbled due to rising US bond yields despite another rate cut from the US Federal Reserve. Shimano, the bike equipment manufacturer, dragged as share price weakness came from concerns around ongoing high inventory levels, soft Chinese demand and guidance being reduced by 27%. Our position in Samsung Electronics was detrimental as the shares came under pressure on news of headcount reductions to improve operating efficiencies. The market is concerned about market share loss to rivals in memory customised chips.

On the other hand, contributors within the fund included China's manufacturing company BYD. Siemens

Authorised Corporate Director's Report

also contributed and we believe the industry business remains well positioned to benefit from the evolution of automation and the digitisation of industrial processes. Our position in royalty company Franco-Nevada was also beneficial, as it was aided by the gold price moving higher to fresh all-time highs as the US dollar pulled back from its sharp appreciation and bond yields stabilised.

Investment activities

Over the review period, we initiated several new holdings which were complementary to the portfolio's various sub-themes and trading at what we felt were attractive valuations. We recycled the proceeds from the sale of Samsung Electronics and initiated new position in Micron Technology, a computer memory and data storage producer. Share price weakness in ASML enabled us to initiate a position using the proceeds from sale of Germany's largest semiconductor manufacturer Infineon Technologies. ASML has a near-monopoly on critical lithography tools used by foundry companies such as TSMC, Intel, and Samsung Electronics to make advanced chips. As part of an extensive healthcare review, we initiated a position in Novo Nordisk, funded by the sale of Roche where we believed the future growth prospects to be less promising. We divested from insurance provider Manulife, medical technology company Becton Dickinson, and mobility technology company Magna International. We sold out of Mobileye and Segro – as we thought its increase prospects diminished. Orsted was fully divested along with CVS.

Outlook

The US has been the top performer among major equity markets in 2024. Looking ahead to 2025, with market valuations at new post-Covid highs, investors are questioning if Wall Street still has room to increase. We believe the answer is yes, but not all stocks will perform equally well. Equity market performance is broadening beyond the 'Mag7'. Investors are seeking opportunities where valuations and expectations are more reasonable, and there are positive prospects beyond technology. The 'Trump trade' reflects the broadening

of returns across the market, rather than just the S&P 500 Index, which is heavily influenced by the 'Mag7'.

The fund's alignment to multidecade thematic trends with structural growth drivers should, in our view, be resilient over time to cyclical and macro variance. We are undeterred in our belief that the fund's chosen themes – from the road to zero carbon to cloud and connectivity – will persist for many years to come and that the beneficiaries of these powerful trends can generate profitable growth for a variety of stakeholders, including employees, customers, shareholders and broader society.

The fund's strict valuation approach prevents the temptation of being pulled into overpaying for the current market darlings and the ability to generate cashflow is absolutely critical in our company analysis. In our view, fundamentals and value are the key determinants of long-term return. Valuation is a crucial aspect of our stock selection process and we remain as optimistic as ever about the long-term prospects of the companies we are invested in and remain committed to our investment mantra: themes grounded in reality.

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.

Compliance of the fund with the Sustainable Finance Disclosure Regulation ('SFDR') and the EU Taxonomy Regulation

The fund is categorised as an Article 6 fund under SFDR. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Portfolio statement

Investments

| Holding | as at 28.02.25 \$'000 | as at 28.02.25 % | as at 31.08.24 % |
|---|--------------------------|---------------------|---------------------|
| Equities | 2,841,330 | 98.92 | 99.17 |
| United Kingdom | 61,233 | 2.13 | 2.25 |
| 406,141 AstraZeneca PLC | 61,233 | 2.13 | |
| Austria | 45,773 | 1.59 | 1.07 |
| 669,970 Erste Group Bank AG | 45,773 | 1.59 | |
| Denmark | 95,914 | 3.34 | 0.96 |
| 1,078,558 Novo Nordisk AS | 95,914 | 3.34 | |
| France | 44,319 | 1.54 | 1.06 |
| 384,469 Vinci SA | 44,319 | 1.54 | |
| Germany | 106,446 | 3.71 | 4.72 |
| 165,695 Hannover Rueck SE | 43,956 | 1.53 | |
| 147,211 Siemens AG | 33,686 | 1.17 | |
| 511,806 Siemens Energy AG | 28,804 | 1.01 | |
| Netherlands | 85,652 | 2.98 | 1.05 |
| 78,783 ASML Holding NV | 56,095 | 1.95 | |
| 135,905 NXP Semiconductors NV | 29,557 | 1.03 | |
| Switzerland | 30,962 | 1.08 | 2.52 |
| 137,747 Garmin Ltd. | 30,962 | 1.08 | |
| United States | 1,479,845 | 51.52 | 48.70 |
| 589,625 Alexandria Real Estate Equities, Inc. | 59,622 | 2.08 | |
| 818,104 Alphabet, Inc. | 138,341 | 4.82 | |
| 541,116 Amazon.com, Inc. | 113,115 | 3.94 | |
| 380,647 American Tower Corp. | 77,670 | 2.70 | |
| 216,570 American Water Works Co., Inc. | 29,022 | 1.01 | |
| 300,612 Amgen, Inc. | 92,031 | 3.20 | |
| 134,329 Cheniere Energy, Inc. | 29,634 | 1.03 | |
| 1,124,614 Crown Castle, Inc. | 105,098 | 3.66 | |
| 1,300,602 CSX Corp. | 41,652 | 1.45 | |
| 113,697 Elevance Health, Inc. | 44,641 | 1.55 | |
| 95,829 Equinix, Inc. | 87,453 | 3.05 | |
| 2,829,208 Intel Corp. | 65,864 | 2.29 | |
| 117,874 Lululemon Athletica, Inc. | 42,827 | 1.49 | |
| 52,772 Martin Marietta Materials, Inc. | 25,484 | 0.89 | |

Portfolio statement

Investments (continued)

| Holding | as at 28.02.25 \$'000 | as at 28.02.25 % | as at 31.08.24 % |
|-----------------------------------|--------------------------|---------------------|---------------------|
| Equities (continued) | | | |
| United States (continued) | | | |
| 613,053 Micron Technology, Inc. | 56,554 | 1.97 | |
| 361,120 Microsoft Corp. | 141,660 | 4.93 | |
| 60,921 Motorola Solutions, Inc. | 26,226 | 0.91 | |
| 630,901 NextEra Energy, Inc. | 43,842 | 1.53 | |
| 528,193 Oracle Corp. | 87,416 | 3.04 | |
| 434,807 QUALCOMM, Inc. | 67,534 | 2.35 | |
| 125,255 Republic Services, Inc. | 29,196 | 1.02 | |
| 92,771 Visa, Inc. | 33,059 | 1.15 | |
| 1,393,196 Weyerhaeuser Co. | 41,904 | 1.46 | |
| Canada | 363,050 | 12.64 | 16.14 |
| 961,706 Brookfield Corp. | 54,916 | 1.91 | |
| 953,529 Cameco Corp. | 41,645 | 1.45 | |
| 1,337,426 Enbridge, Inc. | 55,891 | 1.95 | |
| 834,292 Franco-Nevada Corp. | 114,804 | 4.00 | |
| 5,269,805 PrairieSky Royalty Ltd. | 95,794 | 3.33 | |
| Japan | 155,402 | 5.41 | 5.94 |
| 316,000 Shimano, Inc. | 42,907 | 1.49 | |
| 8,252,100 Toray Industries, Inc. | 54,842 | 1.91 | |
| 3,204,500 Toyota Motor Corp. | 57,653 | 2.01 | |
| Australia | 57,560 | 2.00 | 3.00 |
| 12,559,469 APA Group | 57,560 | 2.00 | |
| 326,423 Erinbar Ltd. ^a | 0 | 0.00 | |
| China | 87,161 | 3.04 | 3.22 |
| 1,819,500 BYD Co. Ltd. | 87,161 | 3.04 | |
| Hong Kong | 156,255 | 5.44 | 4.52 |
| 8,272,568 AIA Group Ltd. | 63,321 | 2.20 | |
| 1,505,300 Tencent Holdings Ltd. | 92,934 | 3.24 | |
| Singapore | 44,263 | 1.54 | 1.03 |
| 1,300,175 DBS Group Holdings Ltd. | 44,263 | 1.54 | |
| South Korea | 0 | 0.00 | 1.46 |

Portfolio statement

Investments (continued)

| Holding | as at 28.02.25 \$'000 | as at 28.02.25 % | as at 31.08.24 % |
|--|--------------------------|---------------------|---------------------|
| Equities (continued) | | | |
| Romania | 27,495 | 0.96 | 1.53 |
| 1,097,358 Societatea De Producere A Energiei Electrice in Hidrocentrale Hidroelectrica SA | 27,495 | 0.96 | |
| Total portfolio | 2,841,330 | 98.92 | 99.17 |
| Net other assets/(liabilities) | 31,130 | 1.08 | 0.83 |
| Net assets attributable to shareholders | 2,872,460 | 100.00 | 100.00 |

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

^a Unlisted/unquoted.

Portfolio statement

Top ten portfolio transactions for the six months to 28 February 2025

| Largest purchases | \$'000 |
|-------------------------|----------------|
| Novo Nordisk AS | 99,355 |
| ASML Holding NV | 61,976 |
| Micron Technology, Inc. | 58,532 |
| American Tower Corp. | 52,802 |
| Franco-Nevada Corp. | 52,664 |
| Amgen, Inc. | 52,572 |
| Amazon.com, Inc. | 44,937 |
| Crown Castle, Inc. | 42,520 |
| Equinix, Inc. | 41,567 |
| Microsoft Corp. | 39,286 |
| Other purchases | 377,909 |
| Total purchases | 924,120 |

| Largest sales | \$'000 |
|------------------------------|------------------|
| Manulife Financial Corp. | 66,201 |
| BYD Co. Ltd. | 58,008 |
| Becton Dickinson & Co. | 54,006 |
| Magna International, Inc. | 45,488 |
| Oracle Corp. | 42,331 |
| Franco-Nevada Corp. | 38,460 |
| Samsung Electronics Co. Ltd. | 38,151 |
| Roche Holding AG | 37,421 |
| Segro PLC | 36,742 |
| CVS Health Corp. | 33,824 |
| Other sales | 619,387 |
| Total sales | 1,070,019 |

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

| Share class | Six months % ^a | Three years % pa | Five years % pa | Ten years % pa |
|------------------------------------|---------------------------|------------------|-----------------|----------------|
| Euro | | | | |
| Class 'A' Income | +9.7 | +5.9 | +10.0 | +7.4 |
| Class 'A' Accumulation | +9.7 | +5.9 | +10.0 | +7.4 |
| Class 'C' Income | +10.3 | +6.9 | +11.1 | +8.5 |
| Class 'C' Accumulation | +10.3 | +6.9 | +11.1 | +8.5 |
| Benchmark (EUR)^b | +11.0 | +12.5 | +14.6 | +10.3 |
| Sterling | | | | |
| Class 'A' Income | +8.0 | +6.1 | +9.9 | +9.3 |
| Class 'A' Accumulation | +8.0 | +6.1 | +9.9 | +9.3 |
| Class 'I' Income | +8.2 | +6.5 | +10.3 | +9.9 |
| Class 'I' Accumulation | +8.2 | +6.5 | +10.3 | +9.9 |
| Class 'PP' Income | +8.3 | +6.7 | +10.6 | n/a |
| Class 'PP' Accumulation | +8.3 | +6.7 | +10.6 | n/a |
| Class 'R' Income | +8.1 | +6.2 | +10.1 | +9.6 |
| Class 'R' Accumulation | +8.1 | +6.2 | +10.1 | +9.6 |
| Benchmark (GBP)^b | +8.8 | +12.0 | +13.6 | +11.8 |
| US dollar | | | | |
| Class 'A' Accumulation | +3.0 | +3.3 | +8.7 | +6.6 |
| Class 'C' Accumulation | +3.5 | n/a | n/a | n/a |
| Benchmark (USD)^b | +4.3 | +9.7 | +13.3 | +9.5 |

^a Not annualised.

^b Prior to 17 November 2017 the benchmark was the FTSE Global Basics Composite Index (comprising all subsectors of the FTSE World Index except media, IT, telecommunications, financials and healthcare). Thereafter it is the MSCI ACWI Index.

Financial highlights

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

Euro Class 'A' Income shares

The share class was launched on 12 July 2013.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|--------------------------------|----------|----------|----------|
| Closing NAV (\$'000) | 5,896 | 5,833 | 5,464 |
| Number of shares | 113,735 | 115,811 | 116,074 |
| Closing NAV per share (Euro ¢) | 4,985.56 | 4,546.10 | 4,329.67 |
| Operating charges (%) | 1.86 | 1.97 | 1.95 |

Euro Class 'C' Income shares

The share class was launched on 8 August 2014.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|--------------------------------|----------|----------|----------|
| Closing NAV (\$'000) | 13 | 12 | 80 |
| Number of shares | 204 | 204 | 1,405 |
| Closing NAV per share (Euro ¢) | 6,085.06 | 5,521.39 | 5,206.32 |
| Operating charges (%) | 0.86 | 0.97 | 0.95 |

Sterling Class 'A' Income shares

The share class was launched on 28 February 1973.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|------------|
| Closing NAV (\$'000) | 169,990 | 169,204 | 174,643 |
| Number of shares | 9,726,869 | 9,995,020 | 11,105,519 |
| Closing NAV per share (UK p) | 1,387.51 | 1,285.16 | 1,240.21 |
| Operating charges (%) | 1.26 | 1.37 | 1.35 |

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 61,622 | 64,360 | 67,252 |
| Number of shares | 2,027,683 | 2,190,644 | 2,474,186 |
| Closing NAV per share (UK p) | 2,412.81 | 2,230.37 | 2,143.64 |
| Operating charges (%) | 0.86 | 0.97 | 0.95 |

Euro Class 'A' Accumulation shares

The share class was launched on 28 November 2001.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|--------------------------------|------------|------------|------------|
| Closing NAV (\$'000) | 1,897,095 | 1,911,052 | 1,858,604 |
| Number of shares | 31,145,919 | 32,291,500 | 34,299,357 |
| Closing NAV per share (Euro ¢) | 5,857.28 | 5,341.27 | 4,983.92 |
| Operating charges (%) | 1.86 | 1.97 | 1.95 |

Euro Class 'C' Accumulation shares

The share class was launched on 28 November 2001.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|--------------------------------|----------|----------|----------|
| Closing NAV (\$'000) | 5,786 | 5,742 | 6,996 |
| Number of shares | 75,842 | 77,851 | 104,632 |
| Closing NAV per share (Euro ¢) | 7,336.27 | 6,656.68 | 6,149.73 |
| Operating charges (%) | 0.86 | 0.97 | 0.95 |

Sterling Class 'A' Accumulation shares

The share class was launched on 28 February 1973.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|------------|------------|
| Closing NAV (\$'000) | 301,646 | 314,140 | 325,797 |
| Number of shares | 9,719,148 | 10,448,546 | 11,905,840 |
| Closing NAV per share (UK p) | 2,464.08 | 2,282.44 | 2,158.08 |
| Operating charges (%) | 1.26 | 1.37 | 1.35 |

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|------------|------------|
| Closing NAV (\$'000) | 370,386 | 390,762 | 405,150 |
| Number of shares | 9,939,025 | 10,846,045 | 12,404,711 |
| Closing NAV per share (UK p) | 2,958.66 | 2,735.10 | 2,575.79 |
| Operating charges (%) | 0.86 | 0.97 | 0.95 |

Financial highlights

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 5,942 | 5,161 | 3,684 |
| Number of shares | 3,256,022 | 2,928,222 | 2,263,939 |
| Closing NAV per share (UK p) | 144.88 | 133.79 | 128.34 |
| Operating charges (%) | 0.66 | 0.77 | 0.75 |

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 5,713 | 5,670 | 5,635 |
| Number of shares | 1,919,144 | 1,967,894 | 2,108,533 |
| Closing NAV per share (UK p) | 236.35 | 218.74 | 210.77 |
| Operating charges (%) | 1.11 | 1.22 | 1.20 |

US dollar Class 'A' Accumulation shares

The share class was launched on 9 March 2007.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|----------|----------|-----------|
| Closing NAV (\$'000) | 16,776 | 18,165 | 23,170 |
| Number of shares | 776,655 | 865,545 | 1,205,761 |
| Closing NAV per share (US ¢) | 2,160.01 | 2,098.70 | 1,921.63 |
| Operating charges (%) | 1.86 | 1.97 | 1.95 |

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 6,543 | 5,583 | 2,252 |
| Number of shares | 2,921,776 | 2,581,698 | 1,150,777 |
| Closing NAV per share (UK p) | 177.78 | 164.18 | 154.31 |
| Operating charges (%) | 0.66 | 0.77 | 0.75 |

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 25,042 | 25,608 | 26,050 |
| Number of shares | 6,933,108 | 7,324,146 | 8,198,421 |
| Closing NAV per share (UK p) | 286.77 | 265.42 | 250.59 |
| Operating charges (%) | 1.11 | 1.22 | 1.20 |

US dollar Class 'C' Accumulation shares

The share class was launched on 17 November 2022.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|----------|----------|----------|
| Closing NAV (\$'000) | 10 | 9 | 21 |
| Number of shares | 800 | 800 | 2,000 |
| Closing NAV per share (US ¢) | 1,220.22 | 1,179.64 | 1,069.42 |
| Operating charges (%) | 0.86 | 0.97 | 0.96 |

Financial statements and notes

Financial statements

Statement of total return

| for the six months to 28 February and 29 February | 2025 | | 2024 | |
|---|----------|---------------|----------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Income | | | | |
| Net capital gains/(losses) | | 90,534 | | 99,322 |
| Revenue | 24,647 | | 29,084 | |
| Expenses | (23,132) | | (22,619) | |
| Interest payable and similar charges | (1) | | (1) | |
| Net revenue/(expense) before taxation | 1,514 | | 6,464 | |
| Taxation | (4,182) | | (3,765) | |
| Net revenue/(expense) after taxation | | (2,668) | | 2,699 |
| Total return before equalisation | | 87,866 | | 102,021 |
| Equalisation | | (20) | | (136) |
| Change in net assets attributable to shareholders from investment activities | | 87,846 | | 101,885 |

Statement of change in net assets attributable to shareholders

| for the six months to 28 February and 29 February | 2025 | | 2024 | |
|--|-----------|------------------|-----------|------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening net assets attributable to shareholders | | 2,921,301 | | 2,904,798 |
| Amounts received on issue of shares | 7,557 | | 19,960 | |
| Amounts paid on cancellation of shares | (144,263) | | (130,255) | |
| | | (136,706) | | (110,295) |
| Dilution adjustments | | 0 | | 127 |
| Change in net assets attributable to shareholders from investment activities (see above) | | 87,846 | | 101,885 |
| Unclaimed distributions | | 19 | | 12 |
| Closing net assets attributable to shareholders | | 2,872,460 | | 2,896,527 |

The opening net assets attributable to shareholders for 2025 differs to the closing position in 2024 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 | 28 February 2025 \$'000 | 31 August 2024 \$'000 |
|--|----------------------------|--------------------------|
| Assets | | |
| Fixed assets | | |
| Investments | 2,841,330 | 2,897,167 |
| Current assets | | |
| Debtors | 35,016 | 12,523 |
| Cash and bank balances | 5,230 | 9,722 |
| Cash equivalents | 14,751 | 12,906 |
| Total assets | 2,896,327 | 2,932,318 |
| Liabilities | | |
| Creditors | | |
| Bank overdrafts | (2,168) | 0 |
| Distribution payable | 0 | (5,160) |
| Other creditors | (21,699) | (5,857) |
| Total liabilities | (23,867) | (11,017) |
| Net assets attributable to shareholders | 2,872,460 | 2,921,301 |

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 30 August 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 Japan Index over any five-year period.

Investment policy

At least 80% of the fund is invested directly in equity securities and equity related securities of companies across any sectors and market capitalisations that are incorporated, domiciled, or do most of their business in Japan. The fund usually holds a concentrated portfolio of fewer than 50 companies.

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

The fund may also hold cash and near cash for liquidity purposes.

Derivatives may be used for efficient portfolio management and hedging.

Investment approach

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

The investment approach aims to exploit price volatility.

The fund manager believes that stockmarket mispricing can and often does occur because psychological factors (ie behavioural biases) prevent investors from always assessing investments rationally. As a result, market prices do not always reflect the fundamental value of companies. The fund seeks to profit from such behavioural biases.

The investment approach filters the fund's investment universe down to a focused list of companies whose shares trade on low valuations relative to their history

and the market. These companies are then subject to rigorous fundamental analysis to attain an understanding of a company's sustainable earnings. This fundamental analysis leads to a high level of conviction for each of the companies held in the fund.

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

Benchmark

MSCI Japan Index

The benchmark is a target which the fund seeks to outperform. The index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

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

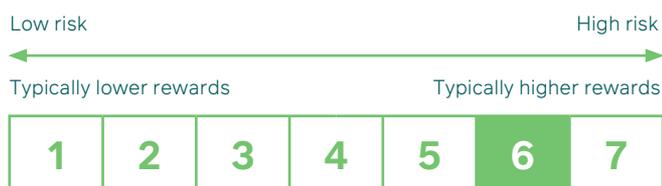
For each share class the benchmark will be denominated or hedged into the relevant share class currency. The benchmark for each share class will be shown in its respective KIID.

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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 28 February 2025

Performance against objective

Between 1 September 2024 and 28 February 2025 (the period under review), the fund delivered positive returns across all share classes, and outperformed its benchmark, the MSCI Japan Index, which gained 0.4% over the same period.

Over five years, the fund generated an annualised positive return across its share classes and outperformed the benchmark, which returned 7.9% pa over the period. Therefore, the fund achieved its objective to provide a combination of capital growth and income, net of the ongoing charge figure, higher than that of the MSCI Japan Index over any five-year period.

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

Performance review

The Japanese market was volatile throughout the period under review, but recorded a small positive return in sterling terms. Early in the period, the stockmarket experienced turbulence after the ruling Liberal Democrats (LDP) selected Shigeru Ishiba as the new Prime Minister. However, Prime Minister Shigeru Ishiba's early decision to call a snap election backfired as the LDP lost its majority.

In January, the Bank of Japan raised interest rates to 'around 0.5%' – the highest level in 17 years. Unlike the market response in August, this time the market's reaction was more muted. Rising interest rates in Japan, compared to falling rates in other major economies, have provided support for the currency and subsequently weighed on the stockmarket.

Against this backdrop, the fund generated a positive return and outperformed its benchmark. Relative performance was aided by stock selection, particularly our choices in consumer discretionary, industrials and materials.

The top individual contributor was Mitsubishi UFJ Financial. It is a market leader in the Japanese banking sector and one of the largest and most diversified financial groups. Our overweight reflects our view that the company represents the best risk-reward combination in the banking sector.

Our overweight holdings in Sanrio, a company that owns the intellectual property for the Hello Kitty franchise; and NTT Data, a telecommunications and semiconductor business; also contributed to performance. We reduced our position size in Sanrio considerably during the period to take some profits after a long and sustained bull run.

Lack of exposure to Daiichi Sankyo, potentially the world's best ADC (antibody drug conjugate) company, and Shin Etsu Chemical, the largest chemical company in Japan also bolstered performance. We think Shin Etsu is one of the best-run companies in Japan, but its valuation looks anomalous compared to other peers around the world.

Authorised Corporate Director's Report

Conversely, the leading detractors were Taiyo Yuden, a company that specialises in the development, production and sale of electrical components, particularly multilayer ceramic capacitors (MLCCs); ORIX, a financial services conglomerate; and PeptiDream, a biopharmaceutical company that utilises its revolutionary platform to discover new drugs. While Taiyo Yuden detracted in the six months, it recently rebounded significantly as the company has raised projections for earnings, citing an improved outlook for demand for components for data centres.

Investment activities

We aim to identify significant dislocations between the price and what we consider to be the risk of ownership of a company. We seek to exploit these dislocations using what we believe to be our greater perspective earned through our long-term research. In our opinion, our edge does not come from better forecasting, but rather from the superior pricing of risk.

In addition, we actively engage with companies in which we invest as we seek to add value in a range of areas. We believe this differentiates us as investment professionals and enables us to identify unique investment opportunities.

During October, we added new positions in Yakult Honsha, Hoya and M3 and exited Kawasaki Heavy Industries. Yakult Honsha is one of the few companies in the world that sells around 15 billion units of a product annually. With a market cap of around US\$ 5 billion, it feels to us like the company is not fully profiting from this market dominance. We believe considerable upside exists to a more focused commercial strategy, which we are promoting to the management team. Meanwhile, modest market expectations and valuation offer a margin of safety.

Hoya is a world monopoly supplier of glass substrates for hard disk drives (HDDs). Given its position and the potential of a larger addressable market, we neutralised this risk by taking a benchmark-weight position.

M3 operates in the field of medical/healthcare related information services and marketing support. While the market deems this company to be ex-growth, we feel

that view may be overly pessimistic as it overlooks some growth areas where the company has strong positions.

Later, we added new positions in West Japan Railway and exited FUJIFILM. West Japan Railway offers fantastic investment in a stable infrastructure business that services the Osaka area, with a lot of hidden value in prime location real estate.

At the end of 2024 we added a new position in Yamato, one of the largest parcel delivery companies in Japan. Having struggled with margin stagnation, we feel the market is now overly pessimistic with the prospects of this business. We believe they have unrealised gains on their real estate portfolio, which could be worth as much as their entire market cap. We also took profits from positions in Sparx, Tokio Marine and Takeda Pharmaceutical. The position in Tokio Marine was initiated during the August flash crash, and its share price has recovered significantly, so we have closed the position.

In January 2025, we added a new position in Mizuho Financial and exited the holding in Hamamatsu Photonics. Mizuho Financial is the second main street bank and we added to the portfolio to allow diversification in our banking exposure and our single stock exposure to Mitsubishi UFJ Financial. The fund's exposure to banks remains balanced against the benchmark.

We also increased exposure to Toyota Motor, which is now one of our largest overweight positions. Despite being the largest stock on the Japanese stock market, we believe investors are underestimating the management's new drive to increase return on equity, which should benefit its share price performance going forward.

In February we exited Denso and Yamaha Motor in consideration of the fund's overall exposure to the auto sector in Japan.

Outlook

The pace of change in Japan is accelerating and creating a strategic opportunity for engaged investors. Against a weak economic backdrop – with just 0.9%

Authorised Corporate Director's Report

GDP growth over the last ten years – the market has done well. Japanese equities' compound annual total returns have reached 14% since late 2012 – when 'Abenomics' got underway.

Over 10 years, the corporate landscape in Japan has been transformed. A focus on profitability and productivity has delivered results and we believe Japanese equities can deliver attractive returns over the next decade, as companies continue their self-improvement journey.

Structural tailwinds are in place for solid earnings growth, in our view, and the Japanese market offers plenty of scope for investors to add value. There are four potential channels to drive returns: education, strategy and M&A, capital allocation and connections. With so much change underway in Japan, we believe there are lots of opportunities for a value-added 'shareholder-ship' approach to continue to deliver results.

Carl Vine

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 28.02.25 ¥'000 | as at 28.02.25 % | as at 31.08.24 % |
|---|-------------------------|---------------------|---------------------|
| Equities | 714,905,904 | 98.41 | 99.77 |
| Chemicals | 28,354,964 | 3.90 | 3.29 |
| 1,666,600 FANUC Corp. | 7,215,494 | 0.99 | |
| 2,414,900 Resonac Holdings Corp. | 8,423,335 | 1.16 | |
| 12,722,200 Toray Industries, Inc. | 12,716,135 | 1.75 | |
| Building products | 10,999,923 | 1.51 | 1.62 |
| 2,439,200 AGC, Inc. | 10,999,923 | 1.51 | |
| Electrical equipment | 31,359,751 | 4.32 | 2.01 |
| 7,621,100 East Japan Railway Co. | 22,668,017 | 3.12 | |
| 4,095,300 Ushio, Inc. | 8,691,734 | 1.20 | |
| Industrial conglomerates | 33,319,018 | 4.59 | 4.97 |
| 6,828,700 Hitachi Ltd. | 25,801,430 | 3.55 | |
| 3,241,800 Mitsubishi Electric Corp. | 7,517,588 | 1.04 | |
| Machinery | 26,457,200 | 3.64 | 4.86 |
| 5,850,800 Kanadevia Corp. | 5,346,367 | 0.74 | |
| 1,272,800 Toyota Industries Corp. | 16,518,159 | 2.27 | |
| 1,132,200 Yaskawa Electric Corp. | 4,592,674 | 0.63 | |
| Trading companies & distributors | 25,037,799 | 3.45 | 4.05 |
| 8,908,500 Mitsui & Co. Ltd. | 25,037,799 | 3.45 | |
| Professional services | 27,941,359 | 3.85 | 5.14 |
| 2,437,300 Dip Corp. | 5,216,020 | 0.72 | |
| 3,927,900 Open Up Group, Inc. | 7,234,452 | 1.00 | |
| 1,753,700 Recruit Holdings Co. Ltd. | 15,490,887 | 2.13 | |
| Road & rail | 23,095,919 | 3.18 | 1.33 |
| 6,483,200 Keisei Electric Railway Co. Ltd. | 9,311,989 | 1.28 | |
| 2,646,500 West Japan Railway Co. | 7,899,080 | 1.09 | |
| 3,074,000 Yamato Holdings Co. Ltd. | 5,884,850 | 0.81 | |
| Auto components | 10,887,832 | 1.50 | 2.29 |
| 5,512,100 Aisin Corp. | 9,780,478 | 1.35 | |
| 1,050,025 REE Automotive Ltd. | 1,107,354 | 0.15 | |
| Automobiles | 70,940,364 | 9.76 | 7.57 |
| 10,648,500 Honda Motor Co. Ltd. | 14,913,471 | 2.05 | |
| 20,705,600 Toyota Motor Corp. | 56,026,893 | 7.71 | |

Portfolio statement

Investments (continued)

| Holding | as at 28.02.25 ¥'000 | as at 28.02.25 % | as at 31.08.24 % |
|---|-------------------------|---------------------|---------------------|
| Equities (continued) | | | |
| Household durables | 70,277,775 | 9.67 | 10.23 |
| 7,441,200 Nikon Corp. | 11,646,167 | 1.60 | |
| 6,163,900 Panasonic Holdings Corp. | 11,535,621 | 1.59 | |
| 10,872,600 Sony Group Corp. | 40,880,265 | 5.63 | |
| 1,357,900 Sumitomo Forestry Co. Ltd. | 6,215,722 | 0.85 | |
| Speciality retail | 20,809,897 | 2.86 | 2.42 |
| 4,669,200 Murata Manufacturing Co. Ltd. | 11,987,805 | 1.65 | |
| 1,389,800 Sanrio Co. Ltd. | 8,822,092 | 1.21 | |
| Food & staples retailing | 22,693,751 | 3.12 | 4.56 |
| 10,568,500 Seven & i Holdings Co. Ltd. | 22,693,751 | 3.12 | |
| Food products | 7,020,465 | 0.97 | 0.00 |
| 2,317,700 Yakult Honsha Co. Ltd. | 7,020,465 | 0.97 | |
| Health care equipment & supplies | 18,571,219 | 2.56 | 1.04 |
| 437,500 Hoya Corp. | 7,682,092 | 1.06 | |
| 5,308,100 Olympus Corp. | 10,889,127 | 1.50 | |
| Health care technology | 4,540,144 | 0.62 | 0.00 |
| 2,563,600 M3, Inc. | 4,540,144 | 0.62 | |
| Biotechnology | 8,860,584 | 1.22 | 1.56 |
| 4,346,900 PeptiDream, Inc. | 8,860,584 | 1.22 | |
| Pharmaceuticals | 7,508,058 | 1.03 | 1.95 |
| 5,155,300 Astellas Pharma, Inc. | 7,508,058 | 1.03 | |
| Banks | 60,318,045 | 8.30 | 6.54 |
| 27,609,500 Mitsubishi UFJ Financial Group, Inc. | 52,872,019 | 7.28 | |
| 1,775,100 Mizuho Financial Group, Inc. | 7,446,026 | 1.02 | |
| Diversified financial services | 24,356,965 | 3.35 | 4.89 |
| 7,847,600 ORIX Corp. | 24,356,965 | 3.35 | |
| Consumer finance | 12,539,278 | 1.73 | 2.06 |
| 3,542,200 Credit Saison Co. Ltd. | 12,539,278 | 1.73 | |
| Capital markets | 11,234,859 | 1.55 | 1.77 |
| 11,554,300 Nomura Holdings, Inc. | 11,234,859 | 1.55 | |
| Insurance | 0 | 0.00 | 1.11 |

Portfolio statement

Investments (continued)

| Holding | as at 28.02.25 ¥'000 | as at 28.02.25 % | as at 31.08.24 % |
|---|-------------------------|---------------------|---------------------|
| Equities (continued) | | | |
| IT services | 26,484,637 | 3.65 | 3.99 |
| 1,095,900 NEC Corp. | 15,942,048 | 2.20 | |
| 3,779,000 NTT Data Group Corp. | 10,542,589 | 1.45 | |
| Technology hardware, storage & peripherals | 0 | 0.00 | 1.42 |
| Electronic equipment, instruments & components | 15,153,777 | 2.09 | 3.23 |
| 109,400 Keyence Corp. | 6,525,880 | 0.90 | |
| 3,466,200 Taiyo Yuden Co. Ltd. | 8,627,897 | 1.19 | |
| Semiconductors & semiconductor equipment | 37,412,162 | 5.15 | 4.97 |
| 3,782,600 Renesas Electronics Corp. | 9,397,241 | 1.29 | |
| 6,029,100 Rohm Co. Ltd. | 9,014,700 | 1.24 | |
| 734,200 SCREEN Holdings Co. Ltd. | 7,892,407 | 1.09 | |
| 497,700 Tokyo Electron Ltd. | 11,107,814 | 1.53 | |
| Diversified telecommunication services | 20,840,016 | 2.87 | 3.09 |
| 143,290,800 Nippon Telegraph & Telephone Corp. | 20,840,016 | 2.87 | |
| Wireless telecommunication services | 24,862,004 | 3.42 | 2.95 |
| 2,984,600 SoftBank Group Corp. | 24,862,004 | 3.42 | |
| Real estate management & development | 33,028,139 | 4.55 | 4.86 |
| 7,425,900 Mitsubishi Estate Co. Ltd. | 16,396,483 | 2.26 | |
| 12,782,900 Mitsui Fudosan Co. Ltd. | 16,631,656 | 2.29 | |
| Portfolio of investments | 714,905,904 | 98.41 | 99.77 |
| Share class hedging | (1,148) | 0.00 | 0.00 |
| Forward currency contracts for share class hedging | (1,148) | 0.00 | 0.00 |
| £1,707,339 Bought for ¥324,479,808 (expires 05.03.25) | (1,262) | 0.00 | |
| £(90,922) Sold for ¥17,336,047 (expires 05.03.25) | 114 | 0.00 | |
| Total portfolio | 714,904,756 | 98.41 | 99.77 |
| Net other assets/(liabilities) | 11,554,748 | 1.59 | 0.23 |
| Net assets attributable to shareholders | 726,459,504 | 100.00 | 100.00 |

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

Portfolio statement

Top ten portfolio transactions for the six months to 28 February 2025

| Largest purchases | ¥'000 |
|------------------------------|--------------------|
| Toyota Motor Corp. | 35,968,504 |
| East Japan Railway Co. | 17,571,571 |
| Honda Motor Co. Ltd. | 9,327,821 |
| Hoya Corp. | 9,210,476 |
| Yakult Honsha Co. Ltd. | 7,784,902 |
| M3, Inc. | 7,656,306 |
| Mizuho Financial Group, Inc. | 7,578,776 |
| West Japan Railway Co. | 7,437,899 |
| Olympus Corp. | 6,350,467 |
| SoftBank Group Corp. | 6,259,613 |
| Other purchases | 63,440,389 |
| Total purchases | 178,586,724 |

| Largest sales | ¥'000 |
|--------------------------------------|--------------------|
| Seven & i Holdings Co. Ltd. | 14,166,793 |
| Sumitomo Forestry Co. Ltd. | 11,405,766 |
| FUJIFILM Holdings Corp. | 9,144,627 |
| Kawasaki Heavy Industries Ltd. | 9,104,442 |
| Mitsubishi UFJ Financial Group, Inc. | 8,300,448 |
| Tokio Marine Holdings, Inc. | 7,969,943 |
| Honda Motor Co. Ltd. | 7,576,283 |
| Toyota Motor Corp. | 6,601,793 |
| Yamaha Motor Co. Ltd. | 6,440,891 |
| Takeda Pharmaceutical Co. Ltd. | 6,101,996 |
| Other sales | 62,349,631 |
| Total sales | 149,162,613 |

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

| Share class | Six months % ^a | Three years % pa | Five years % pa | Ten years % pa |
|---------------------------|------------------------------|---------------------|--------------------|-------------------|
| Sterling | | | | |
| Class 'A' Income | +2.2 | +11.1 | +11.8 | +8.4 |
| Class 'A' Accumulation | +2.2 | +11.1 | +11.8 | +8.4 |
| Class 'I' Income | +2.4 | +11.5 | +12.3 | +9.0 |
| Class 'I' Accumulation | +2.4 | +11.5 | +12.3 | +9.0 |
| Class 'I-H' Accumulation | +3.6 | n/a | n/a | n/a |
| Class 'PP' Income | +2.5 | +11.6 | +12.5 | n/a |
| Class 'PP' Accumulation | +2.5 | +11.7 | +12.5 | n/a |
| Class 'PP-H' Accumulation | +3.6 | n/a | n/a | n/a |
| Class 'R' Income | +2.3 | +11.2 | +12.0 | +8.8 |
| Class 'R' Accumulation | +2.3 | +11.2 | +12.0 | +8.8 |
| Benchmark | +0.4 | +7.7 | +7.9 | +8.0 |

^a 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 9 May 1977.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-------------|-------------|-------------|
| Closing NAV (¥'000) | 18,053,306 | 16,760,971 | 16,908,397 |
| Number of shares | 124,891,531 | 116,255,110 | 136,672,256 |
| Closing NAV per share (UK p) | 76.31 | 75.34 | 66.86 |
| Operating charges (%) | 0.89 | 0.91 | 0.95 |

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|------------|------------|------------|
| Closing NAV (¥'000) | 39,651,576 | 33,934,355 | 10,491,859 |
| Number of shares | 6,647,888 | 5,715,703 | 2,067,717 |
| Closing NAV per share (UK p) | 3,148.57 | 3,102.28 | 2,742.38 |
| Operating charges (%) | 0.49 | 0.51 | 0.54 |

Sterling Class 'I-H' Accumulation shares

The share class was launched on 14 June 2023.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|----------|----------|
| Closing NAV (¥'000) | 267,718 | 184,998 | 3,782 |
| Number of shares | 1,086,196 | 770,302 | 20,063 |
| Closing NAV per share (UK p) | 130.11 | 125.49 | 101.87 |
| Operating charges (%) | 0.52 | 0.53 | 0.57 |

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|---------------|---------------|-------------|
| Closing NAV (¥'000) | 402,684,961 | 386,247,809 | 137,738,738 |
| Number of shares | 1,461,211,768 | 1,408,765,573 | 588,404,534 |
| Closing NAV per share (UK p) | 145.48 | 143.26 | 126.52 |
| Operating charges (%) | 0.39 | 0.41 | 0.44 |

Sterling Class 'A' Accumulation shares

The share class was launched on 6 April 1971.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|------------|------------|
| Closing NAV (¥'000) | 1,625,025 | 2,076,551 | 1,693,672 |
| Number of shares | 8,480,913 | 10,971,113 | 10,621,808 |
| Closing NAV per share (UK p) | 101.15 | 98.90 | 86.18 |
| Operating charges (%) | 0.89 | 0.91 | 0.95 |

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-------------|-------------|------------|
| Closing NAV (¥'000) | 131,105,309 | 124,705,606 | 74,771,185 |
| Number of shares | 17,544,712 | 16,928,005 | 12,090,310 |
| Closing NAV per share (UK p) | 3,944.67 | 3,849.38 | 3,342.44 |
| Operating charges (%) | 0.49 | 0.51 | 0.54 |

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-------------|-------------|-------------|
| Closing NAV (¥'000) | 132,252,797 | 118,383,944 | 65,597,700 |
| Number of shares | 408,045,381 | 370,685,002 | 244,919,163 |
| Closing NAV per share (UK p) | 171.09 | 166.88 | 144.75 |
| Operating charges (%) | 0.39 | 0.41 | 0.44 |

Financial highlights

Sterling Class 'PP-H' Accumulation shares

The share class was launched on 14 June 2023.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|----------|----------|----------|
| Closing NAV (¥'000) | 24,755 | 7,203 | 3,707 |
| Number of shares | 101,111 | 30,205 | 20,010 |
| Closing NAV per share (UK p) | 129.24 | 124.61 | 100.12 |
| Operating charges (%) | 0.42 | 0.43 | 0.47 |

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|----------|----------|----------|
| Closing NAV (¥'000) | 142,579 | 81,260 | 68,482 |
| Number of shares | 244,639 | 139,898 | 137,466 |
| Closing NAV per share (UK p) | 307.66 | 303.51 | 269.24 |
| Operating charges (%) | 0.74 | 0.76 | 0.80 |

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|----------|----------|----------|
| Closing NAV (¥'000) | 651,478 | 601,205 | 429,153 |
| Number of shares | 899,200 | 840,728 | 713,060 |
| Closing NAV per share (UK p) | 382.45 | 373.66 | 325.28 |
| Operating charges (%) | 0.74 | 0.76 | 0.80 |

Financial statements and notes

Financial statements

Statement of total return

| for the six months to 28 February and 29 February | 2025 | | 2024 | |
|---|-------------|------------------|-----------|-------------------|
| | ¥'000 | ¥'000 | ¥'000 | ¥'000 |
| Income | | | | |
| Net capital gains/(losses) | | 3,886,823 | | 71,188,465 |
| Revenue | 7,395,778 | | 3,614,161 | |
| Expenses | (1,502,409) | | (969,983) | |
| Interest payable and similar charges | (664) | | (10,997) | |
| Net revenue/(expense) before taxation | 5,892,705 | | 2,633,181 | |
| Taxation | (739,484) | | (361,311) | |
| Net revenue/(expense) after taxation | | 5,153,221 | | 2,271,870 |
| Total return before distributions | | 9,040,044 | | 73,460,335 |
| Distributions | | (6,093,505) | | (2,832,037) |
| Change in net assets attributable to shareholders from investment activities | | 2,946,539 | | 70,628,298 |

Statement of change in net assets attributable to shareholders

| for the six months to 28 February and 29 February | 2025 | | 2024 | |
|--|--------------|--------------------|--------------|--------------------|
| | ¥'000 | ¥'000 | ¥'000 | ¥'000 |
| Opening net assets attributable to shareholders | | 682,983,902 | | 307,706,675 |
| Amounts received on issue of shares | 77,392,179 | | 206,233,773 | |
| Amounts paid on cancellation of shares | (38,859,552) | | (15,490,601) | |
| | | 38,532,627 | | 190,743,172 |
| Dilution adjustments | | 15,253 | | 273,785 |
| Change in net assets attributable to shareholders from investment activities (see above) | | 2,946,539 | | 70,628,298 |
| Retained distributions on Accumulation shares | | 1,980,353 | | 1,254,599 |
| Unclaimed distributions | | 830 | | 647 |
| Closing net assets attributable to shareholders | | 726,459,504 | | 570,607,176 |

The opening net assets attributable to shareholders for 2025 differs to the closing position in 2024 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 | 28 February 2025 ¥'000 | 31 August 2024 ¥'000 |
|--|---------------------------|-------------------------|
| Assets | | |
| Fixed assets | | |
| Investments | 714,906,018 | 681,430,454 |
| Current assets | | |
| Debtors | 1,610,826 | 3,097,999 |
| Cash and bank balances | 14,691,040 | 9,969,216 |
| Total assets | 731,207,884 | 694,497,669 |
| Liabilities | | |
| Investment liabilities | (1,262) | (5) |
| Creditors | | |
| Distribution payable | (4,492,636) | (4,470,934) |
| Other creditors | (254,482) | (7,042,828) |
| Total liabilities | (4,748,380) | (11,513,767) |
| Net assets attributable to shareholders | 726,459,504 | 682,983,902 |

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 30 August 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 Russell/Nomura Mid-Small Cap Index over any five-year period.

Investment policy

At least 80% of the fund is invested in the equity securities and equity related instruments of smaller companies that are incorporated, domiciled, or do most of their business, in Japan.

Smaller companies are defined as the bottom half in terms of total market capitalisation of all publicly listed companies in Japan.

The fund usually holds a concentrated portfolio of fewer than 60 companies.

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

The fund may also hold cash and near cash for liquidity purposes.

Derivatives may be used for efficient portfolio management and hedging.

Investment approach

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

The investment approach aims to take advantage of price volatility.

The fund manager believes that stock market mispricing can and often does occur because psychological factors (ie behavioural biases) prevent investors from always assessing investments rationally. As a result, market prices do not always reflect the

fundamental value of companies. The fund seeks to profit from such behavioural biases.

The investment approach filters the fund's investment universe down to a focused list of companies whose shares trade on low valuations relative to their history and the market. These companies are then subject to rigorous fundamental analysis to attain an understanding of a company's sustainable earnings. This fundamental analysis leads to a high level of conviction for each of the companies held in the fund.

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

Benchmark

Russell/Nomura Mid-Small Cap Index

The benchmark is a target which the fund seeks to outperform. The index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

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

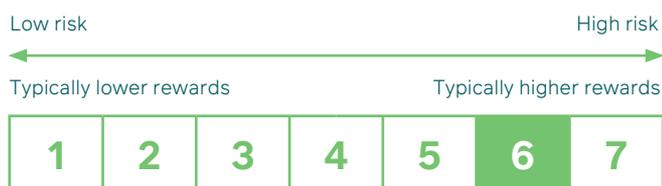
For each share class the benchmark will be denominated or hedged into the relevant share class currency. The benchmark for each share class will be shown in its respective KIID.

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 28 February 2025

Performance against objective

Between 1 September 2024 and 28 February 2025 (the period under review), the fund delivered negative returns across all share classes and trailed its benchmark, the Russell/Nomura Mid-Small Cap Index, which gained 2.7% over the same period.

Over five years, the fund generated an annualised positive return across its share classes and outperformed the benchmark, which returned 7.0% pa over the period. Therefore, the fund achieved its objective to provide a combination of capital growth and income, net of the ongoing charge figure, higher than that of the Russell/Nomura Mid-Small Cap Index over any five-year period.

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

Performance review

The Japanese market was volatile throughout the period under review, but recorded a small positive return in sterling terms. Early in the period, the stockmarket experienced turbulence after the ruling Liberal Democrats (LDP) selected Shigeru Ishiba as the new Prime Minister. However, Prime Minister Shigeru Ishiba's early decision to call a snap election backfired as the LDP lost its majority.

In January, the Bank of Japan raised interest rates to 'around 0.5%' – the highest level in 17 years. Unlike the market response in August, this time the market's reaction was more muted. Rising interest rates in Japan, compared to falling rates in other major economies, have provided support for the currency and subsequently weighed on the stockmarket.

Against this backdrop, the fund generated a negative return and underperformed its benchmark. Relative performance was hindered by stock selection. Most of this underperformance came in the last month of the review period. This was not concentrated in any particular name, rather it was widespread across several holdings. Each company did, however, face meaningful share price pressure following earnings releases. In some cases, earnings were disappointing and in other cases, they were more or less in line.

Key detractors included CKD, a manufacturer of factory automation machinery, including integrated circuit production equipment; and Taiyo Yuden, which specialises in the development, production and sale of electrical components, particularly MLCCs (multi-layer ceramic capacitors). Taiyo Yuden, was one of the fund's biggest detractors in 2024, but has risen significantly year-to-date as the company has raised projections for earnings, citing an improved outlook for components demand for data centres.

Conversely, key contributors included Mitsubishi Logisnext, the third-largest forklift maker in the world; Net One Systems (information technology); and Toray Industries, a global leader in the manufacturer of carbon fibre-based products used in the aerospace industry. Mitsubishi Logisnext recovered in the fourth

Authorised Corporate Director's Report

quarter after earlier weakness on balance sheet concerns. We had been able to build position in Net One Systems swiftly under depressed sentiment in December 2023, and fully exited the position within a year. The stock has contributed considerably towards the fund's performance this year.

Investment activities

We aim to identify significant dislocations between the price and what we consider to be the risk of ownership of a company. We seek to exploit these dislocations using what we believe to be our greater perspective earned through our long-term research. In our opinion, our edge does not come from better forecasting, but rather from the superior pricing of risk.

In addition, we actively engage with companies in which we invest as we seek to add value in a range of areas. We believe this differentiates us as investment professionals and enables us to identify unique investment opportunities.

We feel this is especially true in the small and mid-cap space, where coverage by the investment community is more limited. New investments made during the review period exemplify our approach, where we seek to add value through understanding the business like a business owner, and not simply as a passive investor.

At the end of 2024, we began a new position in Hino Motors, where we see significant opportunities for unlocking value in the turnaround, and closed a position in Net One Systems as the company was acquired by SCSK at a premium of around 25%.

In February 2025, we began new positions in Minebea Mitsumi and DMG Mori and exited our positions in Axxzia and Hamamatsu Photonics. We have tracked DMG Mori, a sector leader, since 2016. Despite missing bullish 2025 targets, good progress has been made, and after volatile price action, shares have corrected to present an attractive risk/reward scenario, in our view. Similarly, Minebea Mitsumi, a manufacturer of mini bearings and motors along with analog semis, presented a good risk/reward scenario on cyclical weakness and structural margin upside. We exited our position in Hamamatsu Photonics as we feel they may

face difficulties in appealing to global tech customers. Given their current sales distribution network and lack of presence in Silicon Valley, we believe they might struggle to adapt.

Outlook

The pace of change in Japan is accelerating and creating a strategic opportunity for engaged investors. Against a weak economic backdrop – with just 0.9% GDP growth over the last ten years – the market has done well. Japanese equities' compound annual total returns have reached 14% since late 2012 – when 'Abenomics' got underway.

Over 10 years, the corporate landscape in Japan has been transformed. A focus on profitability and productivity has delivered results and we believe Japanese equities can deliver attractive returns over the next decade, as companies continue their self-improvement journey.

Structural tailwinds are in place for solid earnings growth, in our view, and the Japanese market offers plenty of scope for investors to add value. There are four potential channels to drive returns: education, strategy and M&A, capital allocation and network. With so much change underway in Japan, we believe there are lots of opportunities for our 'value-added shareholder-ship' approach to continue to deliver results.

Carl Vine

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 28.02.25 ¥'000 | as at 28.02.25 % | as at 31.08.24 % |
|--|-------------------------|---------------------|---------------------|
| Equities | 31,457,513 | 98.41 | 99.44 |
| Software & computer services | 1,397,623 | 4.37 | 4.88 |
| 150,600 BIPROGY, Inc. | 647,054 | 2.02 | |
| 281,100 Simplex Holdings, Inc. | 750,569 | 2.35 | |
| Technology hardware & equipment | 2,683,558 | 8.40 | 11.58 |
| 239,400 Nissha Co. Ltd. | 338,042 | 1.06 | |
| 640,600 QD Laser, Inc. | 209,816 | 0.66 | |
| 426,000 Rohm Co. Ltd. | 636,954 | 1.99 | |
| 65,000 SCREEN Holdings Co. Ltd. | 698,729 | 2.19 | |
| 175,000 Taiyo Yuden Co. Ltd. | 435,602 | 1.36 | |
| 155,900 Tazmo Co. Ltd. | 364,415 | 1.14 | |
| Pharmaceuticals & biotechnology | 723,827 | 2.26 | 2.42 |
| 355,101 PeptiDream, Inc. | 723,827 | 2.26 | |
| Banks | 467,079 | 1.46 | 1.30 |
| 121,500 Sumitomo Mitsui Trust Group, Inc. | 467,079 | 1.46 | |
| Investment banking & brokerage services | 2,153,811 | 6.74 | 4.77 |
| 212,400 ORIX Corp. | 659,236 | 2.06 | |
| 841,055 Sparx Group Co. Ltd. | 1,313,910 | 4.11 | |
| 290,448 YCP Holdings Global Ltd. | 180,665 | 0.57 | |
| Real estate investment & services | 1,470,494 | 4.60 | 4.14 |
| 2,266,500 Ichigo, Inc. | 816,260 | 2.55 | |
| 296,300 Mitsubishi Estate Co. Ltd. | 654,234 | 2.05 | |
| Automobiles & parts | 3,871,513 | 12.11 | 9.87 |
| 302,000 Aisin Corp. | 535,858 | 1.68 | |
| 435,000 Honda Motor Co. Ltd. | 609,228 | 1.91 | |
| 189,600 Niterra Co. Ltd. | 835,783 | 2.61 | |
| 88,974 REE Automotive Ltd. | 93,832 | 0.29 | |
| 357,300 Suzuki Motor Corp. | 654,962 | 2.05 | |
| 62,000 Toyota Industries Corp. | 804,624 | 2.52 | |
| 272,500 Yamaha Motor Co. Ltd. | 337,226 | 1.05 | |
| Household goods & home construction | 305,316 | 0.96 | 2.85 |
| 66,700 Sumitomo Forestry Co. Ltd. | 305,316 | 0.96 | |

Portfolio statement

Investments (continued)

| Holding | as at 28.02.25 ¥'000 | as at 28.02.25 % | as at 31.08.24 % |
|---|-------------------------|---------------------|---------------------|
| Equities (continued) | | | |
| Leisure goods | 470,467 | 1.47 | 5.47 |
| 300,600 Nikon Corp. | 470,467 | 1.47 | |
| Travel & leisure | 319,837 | 1.00 | 1.40 |
| 591,030 Skymark Airlines, Inc. | 319,837 | 1.00 | |
| Food producers | 1,446,704 | 4.53 | 3.18 |
| 152,500 Morinaga & Co. Ltd. | 375,865 | 1.18 | |
| 72,400 Toyo Suisan Kaisha Ltd. | 644,650 | 2.02 | |
| 140,700 Yakult Honsha Co. Ltd. | 426,189 | 1.33 | |
| Personal care, drug & grocery stores | 492,161 | 1.54 | 3.87 |
| 229,200 Seven & i Holdings Co. Ltd. | 492,161 | 1.54 | |
| Construction & materials | 676,383 | 2.12 | 2.17 |
| 740,200 Kanadevia Corp. | 676,383 | 2.12 | |
| Electronic & electrical equipment | 2,078,364 | 6.50 | 6.45 |
| 86,800 Minebea Mitsumi, Inc. | 200,957 | 0.63 | |
| 149,600 PILLAR Corp. | 524,152 | 1.64 | |
| 365,000 Ushio, Inc. | 774,665 | 2.42 | |
| 202,000 Yokogawa Electric Corp. | 578,590 | 1.81 | |
| General industrials | 1,108,359 | 3.47 | 3.12 |
| 120,300 M3, Inc. | 213,052 | 0.67 | |
| 199,400 Noritsu Koki Co. Ltd. | 895,307 | 2.80 | |
| Industrial engineering | 3,856,083 | 12.06 | 11.75 |
| 401,200 CKD Corp. | 893,245 | 2.79 | |
| 86,700 DMG Mori Co. Ltd. | 231,233 | 0.72 | |
| 323,800 Mitsubishi Logisnext Co. Ltd. | 619,137 | 1.94 | |
| 148,000 Nabtesco Corp. | 356,887 | 1.12 | |
| 173,200 Nankai Electric Railway Co. Ltd. | 435,684 | 1.36 | |
| 1,022,100 Nippon Thompson Co. Ltd. | 515,707 | 1.61 | |
| 123,800 Shibaura Machine Co. Ltd. | 441,141 | 1.38 | |
| 89,500 Yaskawa Electric Corp. | 363,049 | 1.14 | |
| Industrial support services | 3,314,559 | 10.37 | 10.57 |
| 177,900 Central Security Patrols Co. Ltd. | 495,318 | 1.55 | |
| 223,200 Credit Saison Co. Ltd. | 790,121 | 2.47 | |

Portfolio statement

Investments (continued)

| Holding | as at 28.02.25 ¥'000 | as at 28.02.25 % | as at 31.08.24 % |
|--|-------------------------|---------------------|---------------------|
| Equities (continued) | | | |
| Industrial support services (continued) | | | |
| 238,200 Dip Corp. | 509,767 | 1.60 | |
| 327,800 Open Up Group, Inc. | 603,746 | 1.89 | |
| 209,500 SBS Holdings, Inc. | 592,361 | 1.85 | |
| 201,200 Seibu Giken Co. Ltd. | 323,246 | 1.01 | |
| Industrial transportation | 1,181,009 | 3.69 | 1.19 |
| 1,340,500 Hino Motors Ltd. | 635,062 | 1.98 | |
| 380,100 Keisei Electric Railway Co. Ltd. | 545,947 | 1.71 | |
| Chemicals | 3,440,366 | 10.76 | 8.46 |
| 90,500 Earth Corp. | 447,962 | 1.40 | |
| 320,900 NOF Corp. | 650,393 | 2.03 | |
| 119,600 Resonac Holdings Corp. | 417,173 | 1.31 | |
| 127,500 Sumitomo Bakelite Co. Ltd. | 427,909 | 1.34 | |
| 226,200 T Hasegawa Co. Ltd. | 632,841 | 1.98 | |
| 864,500 Toray Industries, Inc. | 864,088 | 2.70 | |
| Total portfolio | 31,457,513 | 98.41 | 99.44 |
| Net other assets/(liabilities) | 507,998 | 1.59 | 0.56 |
| Net assets attributable to shareholders | 31,965,511 | 100.00 | 100.00 |

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

Portfolio statement

Top ten portfolio transactions for the six months to
28 February 2025

| Largest purchases | ¥'000 |
|----------------------------------|------------------|
| Honda Motor Co. Ltd. | 978,717 |
| Sparx Group Co. Ltd. | 875,728 |
| Hino Motors Ltd. | 696,479 |
| Net One Systems Co. Ltd. | 568,068 |
| Resonac Holdings Corp. | 493,125 |
| Yakult Honsha Co. Ltd. | 488,610 |
| Nankai Electric Railway Co. Ltd. | 438,286 |
| Nissha Co. Ltd. | 423,619 |
| M3, Inc. | 407,981 |
| Seven & i Holdings Co. Ltd. | 372,465 |
| Other purchases | 3,182,627 |
| Total purchases | 8,925,705 |

| Largest sales | ¥'000 |
|-------------------------------|-------------------|
| Mitsubishi Logisnext Co. Ltd. | 1,485,786 |
| Net One Systems Co. Ltd. | 1,418,498 |
| NEC Corp. | 1,060,775 |
| Seven & i Holdings Co. Ltd. | 918,126 |
| Sumitomo Forestry Co. Ltd. | 773,382 |
| Panasonic Holdings Corp. | 753,030 |
| Sanrio Co. Ltd. | 701,557 |
| ORIX Corp. | 488,204 |
| Nikon Corp. | 453,788 |
| Noritsu Koki Co. Ltd. | 430,146 |
| Other sales | 7,639,852 |
| Total sales | 16,123,144 |

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

| Share class | Six months % ^a | Three years % pa | Five years % pa | Ten years % pa |
|-------------------------|------------------------------|---------------------|--------------------|-------------------|
| Sterling | | | | |
| Class 'A' Income | -1.7 | +8.7 | +13.6 | +9.7 |
| Class 'A' Accumulation | -1.7 | +8.7 | +13.5 | +9.7 |
| Class 'I' Income | -1.5 | +9.1 | +14.0 | +10.4 |
| Class 'I' Accumulation | -1.6 | +9.1 | +14.0 | +10.4 |
| Class 'PP' Income | -1.5 | +9.2 | n/a | n/a |
| Class 'PP' Accumulation | -1.5 | +9.2 | n/a | n/a |
| Class 'R' Income | -1.7 | +8.8 | +13.7 | +10.1 |
| Class 'R' Accumulation | -1.7 | +8.8 | +13.7 | +10.1 |
| Benchmark | +2.7 | +7.0 | +7.0 | +7.5 |

^a 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 15 May 1984.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|----------|----------|----------|
| Closing NAV (¥'000) | 708,782 | 729,033 | 721,864 |
| Number of shares | 517,521 | 517,859 | 564,565 |
| Closing NAV per share (UK p) | 722.97 | 735.61 | 691.05 |
| Operating charges (%) | 1.10 | 1.10 | 1.10 |

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (¥'000) | 3,357,749 | 3,290,693 | 3,468,376 |
| Number of shares | 478,616 | 457,229 | 532,753 |
| Closing NAV per share (UK p) | 3,703.38 | 3,760.67 | 3,518.58 |
| Operating charges (%) | 0.70 | 0.70 | 0.70 |

Sterling Class 'PP' Income shares

The share class was launched on 28 June 2021.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|------------|
| Closing NAV (¥'000) | 1,730,432 | 1,767,651 | 3,306,722 |
| Number of shares | 7,713,756 | 7,684,847 | 15,907,995 |
| Closing NAV per share (UK p) | 118.42 | 120.19 | 112.34 |
| Operating charges (%) | 0.60 | 0.60 | 0.60 |

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|----------|----------|----------|
| Closing NAV (¥'000) | 60,347 | 65,234 | 71,512 |
| Number of shares | 87,914 | 92,522 | 111,842 |
| Closing NAV per share (UK p) | 362.36 | 368.42 | 345.57 |
| Operating charges (%) | 0.95 | 0.95 | 0.95 |

Sterling Class 'A' Accumulation shares

The share class was launched on 15 May 1984.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (¥'000) | 1,502,850 | 1,942,247 | 1,743,814 |
| Number of shares | 882,826 | 1,109,923 | 1,120,429 |
| Closing NAV per share (UK p) | 898.62 | 914.37 | 841.17 |
| Operating charges (%) | 1.10 | 1.10 | 1.10 |

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|------------|------------|------------|
| Closing NAV (¥'000) | 19,936,844 | 26,185,654 | 23,298,692 |
| Number of shares | 2,318,945 | 2,968,877 | 2,981,214 |
| Closing NAV per share (UK p) | 4,538.40 | 4,608.74 | 4,223.81 |
| Operating charges (%) | 0.70 | 0.70 | 0.70 |

Sterling Class 'PP' Accumulation shares

The share class was launched on 28 June 2021.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|------------|------------|------------|
| Closing NAV (¥'000) | 4,148,159 | 5,508,575 | 3,736,960 |
| Number of shares | 17,335,388 | 22,450,887 | 17,205,925 |
| Closing NAV per share (UK p) | 126.32 | 128.21 | 117.38 |
| Operating charges (%) | 0.60 | 0.60 | 0.60 |

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|----------|----------|----------|
| Closing NAV (¥'000) | 520,348 | 573,911 | 551,951 |
| Number of shares | 624,708 | 670,782 | 726,266 |
| Closing NAV per share (UK p) | 439.70 | 447.07 | 410.74 |
| Operating charges (%) | 0.95 | 0.95 | 0.95 |

Financial statements and notes

Financial statements

Statement of total return

| for the six months to 28 February and 29 February | 2025 | | 2024 | |
|---|-----------|------------------|-----------|------------------|
| | ¥'000 | ¥'000 | ¥'000 | ¥'000 |
| Income | | | | |
| Net capital gains/(losses) | | (1,160,225) | | 3,691,583 |
| Revenue | 428,167 | | 450,908 | |
| Expenses | (125,666) | | (141,319) | |
| Interest payable and similar charges | (55) | | (1,375) | |
| Net revenue/(expense) before taxation | 302,446 | | 308,214 | |
| Taxation | (42,812) | | (45,083) | |
| Net revenue/(expense) after taxation | | 259,634 | | 263,131 |
| Total return before equalisation | | (900,591) | | 3,954,714 |
| Equalisation | | (31,991) | | 9,338 |
| Change in net assets attributable to shareholders from investment activities | | (932,582) | | 3,964,052 |

Statement of change in net assets attributable to shareholders

| for the six months to 28 February and 29 February | 2025 | | 2024 | |
|--|-------------|-------------------|-------------|-------------------|
| | ¥'000 | ¥'000 | ¥'000 | ¥'000 |
| Opening net assets attributable to shareholders | | 40,062,998 | | 36,899,891 |
| Amounts received on issue of shares | 1,471,385 | | 8,569,167 | |
| Amounts paid on cancellation of shares | (8,647,550) | | (5,037,805) | |
| | | (7,176,165) | | 3,531,362 |
| Dilution adjustments | | 11,253 | | 20,968 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (932,582) | | 3,964,052 |
| Unclaimed distributions | | 7 | | 17 |
| Closing net assets attributable to shareholders | | 31,965,511 | | 44,416,290 |

The opening net assets attributable to shareholders for 2025 differs to the closing position in 2024 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 | 28 February 2025 ¥'000 | 31 August 2024 ¥'000 |
|--|---------------------------|-------------------------|
| Assets | | |
| Fixed assets | | |
| Investments | 31,457,513 | 39,838,232 |
| Current assets | | |
| Debtors | 258,915 | 444,503 |
| Cash and bank balances | 304,941 | 388,511 |
| Total assets | 32,021,369 | 40,671,246 |
| Liabilities | | |
| Creditors | | |
| Distribution payable | 0 | (123,578) |
| Other creditors | (55,858) | (484,670) |
| Total liabilities | (55,858) | (608,248) |
| Net assets attributable to shareholders | 31,965,511 | 40,062,998 |

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 30 August 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 charge figure, than that of the S&P 500 Index over any five-year period; and
- To provide an income stream that increases every year in USD terms.

Investment policy

At least 80% of the fund is invested directly in equity securities and equity-related securities of companies across any sector and market capitalisation that are incorporated, domiciled or do most of their business in the US and Canada. The fund usually holds a concentrated portfolio of fewer than 50 companies.

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

The fund may also hold cash and near cash for liquidity purposes.

Derivatives may be used for efficient portfolio management and hedging.

Investment approach

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

The fund manager aims to create a diversified portfolio with exposure to a broad range of sectors.

Companies with different drivers of dividend growth are selected to construct a portfolio that has the potential to cope in a variety of market conditions.

Benchmark

S&P 500 Index

The benchmark is a target which the fund seeks to outperform. The index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

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

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

Risk profile

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

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 28 February 2025

Distribution summary

Over the six-month review period to 28 February 2025, the fund distributed income of 22.1399 pence per sterling Class 'A' Income share. This represents a 11.1% increase from the equivalent period last year. The sterling Class 'I' Income share distributed 27.4476 pence, which is 11.5% higher than the payment made at this stage a year ago. In US dollars, the currency in which the fund's income objective is determined, the distribution rose 11.1% from last year for the sterling Class 'A' Income share and 11.5% for the sterling Class 'I' Income share.

Despite ongoing concerns about persistent inflation and its implications for the path of future interest-rate cuts, the momentum in US dividends continued during the six months under review. Dividends provide a strong signal of corporate confidence, and corporate America remains resolute in its optimism. (Dividends represent a share in the profits of a company and are paid out to the company's shareholders at set times of the year.)

Against this backdrop, the fund benefited from higher dividends across a range of sectors. In contrast to previous years when the majority of holdings delivered dividend increases in the region of 5-15%, we continued to see an unusually high number of companies raising their dividends by 15% or more.

We have been encouraged by the robust dividend growth from the fund's largest holdings, many of which are technology-related companies. Microsoft extended its long sequence of dividend growth with a 10% increase, while Broadcom raised its dividend by 11% in semiconductors. Mastercard and Visa boosted their dividends by 15% and 13%, respectively, in digital payments. Vertiv accounted for the biggest increase during the review period as the provider of critical infrastructure and services for data centres raised its dividend by 50%.

Financials provided another source of impressive growth, led by ARES Management which rewarded

shareholders with a 20% dividend hike. American Express raised its dividend by 17%, while Arthur J Gallagher delivered an 8% increase. Progressive paid a special dividend, in line with its cash return policy.

Healthcare continued to offer reliable growth among the defensive sectors, with Thermo Fisher Scientific and Zoetis reporting double-digit increases. Elevance Health, AbbVie and Merck raised their dividends in the core 5-15% range. In utilities, NextEra Energy boosted its dividend by 10%, in line with previous years. (Defensive stocks are companies that tend to have stable earnings and are less affected by peaks and troughs in the economy.)

Strong dividend growth was also apparent in more economically sensitive sectors. Carrier Global and Rollins, which are exposed to the housing market, reported double-digit growth, while the new holding in Royal Caribbean Cruises, a beneficiary of strengthening consumer spending without tariff risk, raised its dividend by 36%.

There were no dividend cuts during the six months under review, but a handful of holdings delivered more modest levels of growth. The low single-digit increases from Blackrock in financials and Rexford Industrial Realty in real estate have scope to improve. We expect these outliers to step up the pace of dividend growth at the appropriate time.

We are pleased that the majority of the fund's holdings continued to deliver solid, and in some cases spectacular, dividend growth, but remain vigilant about the outlook in light of the uncertainties in the US economy. Balance sheet strength is a key consideration in our company research to ensure that dividends can be sustained in the current climate. We take comfort from the fact that many of our holdings are carrying net cash. While caution is prudent, we continue to believe that the fund is well placed to deliver on its objective of providing a rising income stream.

Performance against objective

Between 1 September 2024 (the start of the review period) and 28 February 2025, the fund delivered a positive total return (the combination of income and

Authorised Corporate Director's Report

growth of capital) across all its share classes but underperformed the S&P 500 Index, which returned 10.7% in sterling.

Over five years, the fund generated double-digit returns across all its share classes, but lagged behind the S&P 500 Index which delivered an annualised return of 17.2% in sterling. Therefore the fund did not meet the objective of providing a higher total return, net of the ongoing charge figure, than that of the S&P 500 Index over any five-year period.

The fund is on track to deliver on the objective of growing the distribution every year in US dollars. The growth in distributed income was 11.1% in US dollars for the sterling Class 'A' Income share and 11.5% in US dollars for the sterling Class 'I' Income share during the first six months of the 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 US stockmarket rose, with the major indices – the S&P 500 Index, Dow Jones Industrial Average and the NASDAQ Composite Index – reaching all-time highs before their momentum waned towards the end of the six-month review period as tariff concerns dampened enthusiasm. The new economy dominated the rally, with Meta Platforms and Amazon.com leading the gains in communication services and consumer discretionary, respectively, although technology underperformed as the heavyweights of Apple, NVIDIA and Microsoft lagged behind. Financials also featured prominently on the leaderboard as banks emerged as the prime beneficiary of Donald Trump's swiftly concluded election victory. Other sectors with greater economic sensitivity struggled: industrials and energy underperformed, while materials brought up the rear. Defensive stocks remained out of favour in an environment of rising bond yields: consumer staples and healthcare were left behind in a rising market, while utilities and real estate succumbed to the pressure on interest-rate sensitives.

Against this backdrop, the fund generated a positive return but underperformed its benchmark, the S&P 500 Index. UnitedHealth and Elevance Health provided the biggest drag on fund performance in a challenging year for managed care. We continue to believe that both companies have a crucial role in the US healthcare ecosystem and we added to the holdings on weakness.

Rexford Industrial Realty and NextEra Energy declined as sentiment weighed on interest-rate sensitives. The long-term investment case for both stocks remains unchanged and we added to the holdings on weakness.

Not owning Amazon.com and Tesla, which are ineligible for our dividend growth strategy owing to their non-dividend-paying status, provided a headwind for performance relative to the benchmark, although the fund benefited from positive stock selection in technology where Broadcom was the standout performer. The recent purchase of Meta Platforms, the owner of Facebook and Instagram, also added value.

Stock selection made its biggest mark in financials where Visa and Mastercard, our holdings in digital payments, led the gains. ARES Management, Arthur J Gallagher, American Express and JPMorgan Chase were among the other winners in a buoyant sector.

Investment activities

We made seven new purchases and five complete sales during the six-month review period, a level of turnover consistent with our long-term investment horizon of three to five years. The number of holdings increased to 47.

We bought Blue Owl Capital and Intercontinental Exchange in financials, although the sector exposure declined as we reduced Visa and Mastercard meaningfully into strength.

The weighting in consumer discretionary increased with the new purchases of Starbucks, VF and Royal Caribbean Cruises. The new holding in Royal Caribbean is indicative of our desire to find new ideas exposed to the strengthening consumer, without taking on tariff risk.

Authorised Corporate Director's Report

In technology, we initiated a new position in Seagate Technology and completed the sale of CDW and Motorola Solutions. In semiconductors, we divested NXP Semiconductors and added to Lam Research. We reduced Broadcom into strength and bought more Microsoft on weakness, having reduced the position previously on valuation grounds. We continued to build our exposure to the dividend initiators of Meta and Alphabet.

We invested in Carrier Global as a potential beneficiary of a recovery in the housing market, with Sherwin-Williams making way. In interest-rate sensitives, we sold American Tower, a real estate investment trust (REIT), into strength and added to NextEra Energy in utilities.

Outlook

The early days of Donald Trump's second presidency have been characterised by uncertainty which has eclipsed the initial optimism behind his election win, but we are encouraged by the investment opportunities available in the current market environment, particularly those outside the new economy bellwethers of the so-called Magnificent Seven. The US market remains unrivalled in its breadth and depth for dividend growers, and we see a variety of investment candidates with similar growth rates to the Magnificent Seven on significantly lower multiples.

In the defensive areas of the market, we are excited about the opportunity in healthcare where valuations are looking highly attractive after sentiment weighed on the sector in an election year. With the demographic tailwind as strong as ever, we believe the sector is well placed for long-term growth. Beyond healthcare, we have been adding selectively to long-term winners such as NextEra Energy, America's largest electric utility as well as the world's leading generator of renewable energy.

We have been active in our search for new ways to invest behind the strengthening consumer without taking on tariff risk, and taking tentative steps to increase exposure to the housing market, which looks ripe for a recovery in the years to come.

We retain our conviction in the long-term theme of Artificial Intelligence (AI), albeit with a clear preference for application over infrastructure. We have been taking action in the portfolio accordingly, with reduced exposure to semiconductors following their strong run and a higher weighting in communication services, home to Meta and Alphabet. Technology remains the fund's largest underweight position relative to the benchmark S&P 500 Index, in contrast to the communication services exposure which is now marginally overweight relative to the benchmark. Valuation remains a critical aspect of our company analysis to ensure that we do not overpay for the growth we seek.

We continue to believe that the majority of our holdings can sustain dividend growth in the 5-15% range over the long term, while offering an attractive yield. We are undeterred in our pursuit of dividend growth and remain committed to its viability not only as a source of rising income, but also as a total return strategy in the US market over the long term.

John Weavers

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 28.02.25 \$'000 | as at 28.02.25 % | as at 31.08.24 % |
|---|--------------------------|---------------------|---------------------|
| Equities | 1,143,497 | 98.13 | 98.46 |
| Oil, gas & consumable fuels | 49,265 | 4.23 | 3.97 |
| 49,528 Cheniere Energy, Inc. | 10,926 | 0.94 | |
| 1,195,701 Gibson Energy, Inc. | 17,849 | 1.53 | |
| 211,453 ONEOK, Inc. | 20,490 | 1.76 | |
| Chemicals | 12,319 | 1.06 | 2.22 |
| 280,306 Methanex Corp. | 12,319 | 1.06 | |
| Building products | 17,499 | 1.50 | 0.00 |
| 272,325 Carrier Global Corp. | 17,499 | 1.50 | |
| Trading companies & distributors | 2,838 | 0.24 | 0.27 |
| 8,274 Pool Corp. | 2,838 | 0.24 | |
| Commercial services & supplies | 10,520 | 0.90 | 0.98 |
| 204,322 Rollins, Inc. | 10,520 | 0.90 | |
| Professional services | 8,831 | 0.76 | 1.29 |
| 36,298 Equifax, Inc. | 8,831 | 0.76 | |
| Marine | 18,256 | 1.57 | 0.00 |
| 76,307 Royal Caribbean Cruises Ltd. | 18,256 | 1.57 | |
| Transportation infrastructure | 11,717 | 1.01 | 1.07 |
| 153,096 Canadian Pacific Kansas City Ltd. | 11,717 | 1.01 | |
| Textiles, apparel & luxury goods | 22,968 | 1.97 | 0.22 |
| 28,160 NIKE, Inc. | 2,226 | 0.19 | |
| 846,615 VF Corp. | 20,742 | 1.78 | |
| Speciality retail | 29,190 | 2.51 | 2.71 |
| 70,198 Lowe's Cos., Inc. | 17,271 | 1.48 | |
| 218,027 Tractor Supply Co. | 11,919 | 1.03 | |
| Beverages | 14,315 | 1.23 | 0.00 |
| 125,266 Starbucks Corp. | 14,315 | 1.23 | |
| Health care providers & services | 91,484 | 7.85 | 9.34 |
| 75,227 Elevance Health, Inc. | 29,536 | 2.53 | |
| 132,227 UnitedHealth Group, Inc. | 61,948 | 5.32 | |
| Biotechnology | 34,412 | 2.95 | 2.59 |
| 167,786 AbbVie, Inc. | 34,412 | 2.95 | |

Portfolio statement

Investments (continued)

| Holding | as at 28.02.25 \$'000 | as at 28.02.25 % | as at 31.08.24 % |
|---|--------------------------|---------------------|---------------------|
| Equities (continued) | | | |
| Pharmaceuticals | | | |
| 25,197 McKesson Corp. | 15,664 | 1.34 | |
| 211,242 Merck & Co., Inc. | 19,100 | 1.64 | |
| 69,180 Zoetis, Inc. | 11,433 | 0.98 | |
| Life sciences tools & services | | | |
| 253,941 Broadcom, Inc. | 50,590 | 4.34 | |
| 50,904 Texas Roadhouse, Inc. | 9,062 | 0.78 | |
| 19,552 Thermo Fisher Scientific, Inc. | 10,237 | 0.88 | |
| Banks | | | |
| 137,508 JPMorgan Chase & Co. | 35,809 | 3.07 | |
| Consumer finance | | | |
| 72,918 American Express Co. | 21,524 | 1.85 | |
| Capital markets | | | |
| 203,975 ARES Management Corp. | 34,270 | 2.94 | |
| 16,132 Blackrock, Inc. | 15,278 | 1.31 | |
| 762,761 Blue Owl Capital, Inc. | 16,252 | 1.39 | |
| 75,175 Intercontinental Exchange, Inc. | 12,875 | 1.11 | |
| Insurance | | | |
| 79,663 Arthur J Gallagher & Co. | 26,595 | 2.28 | |
| 99,715 Progressive Corp. | 28,004 | 2.41 | |
| IT services | | | |
| 42,013 Accenture PLC | 15,022 | 1.29 | |
| 86,253 Mastercard, Inc. | 48,829 | 4.19 | |
| 114,980 Vertiv Holdings Co. | 10,602 | 0.91 | |
| 126,041 Visa, Inc. | 44,915 | 3.85 | |
| Software | | | |
| 33,623 Intuit, Inc. | 20,243 | 1.74 | |
| 218,229 Microsoft Corp. | 85,607 | 7.34 | |
| Communications equipment | | | |
| Technology hardware, storage & peripherals | | | |
| 181,098 Seagate Technology Holdings PLC | 18,281 | 1.57 | |
| Electronic equipment, instruments & components | | | |

Portfolio statement

Investments (continued)

| Holding | as at 28.02.25 \$'000 | as at 28.02.25 % | as at 31.08.24 % |
|---|--------------------------|---------------------|---------------------|
| Equities (continued) | | | |
| Semiconductors & semiconductor equipment | | | |
| 260,058 Lam Research Corp. | 20,105 | 1.73 | |
| 134,620 QUALCOMM, Inc. | 20,909 | 1.79 | |
| Diversified telecommunication services | | | |
| 249,295 Cogent Communications Holdings, Inc. | 18,104 | 1.55 | |
| Interactive media & services | | | |
| 225,454 Alphabet, Inc. | 38,124 | 3.27 | |
| 97,003 Meta Platforms, Inc. | 64,260 | 5.52 | |
| Electric utilities | | | |
| 652,569 NextEra Energy, Inc. | 45,348 | 3.89 | |
| Equity real estate investment trusts (REITs) | | | |
| 33,381 Equinix, Inc. | 30,463 | 2.61 | |
| 792,671 Rexford Industrial Realty, Inc. | 32,378 | 2.78 | |
| Portfolio of investments | 1,143,497 | 98.13 | 98.46 |
| Share class hedging | | | |
| Forward currency contracts for share class hedging | | | |
| £282,735 Bought for CA\$511,354 (expires 05.03.25) | 2 | 0.00 | |
| CA\$590 Bought for £330 (expires 05.03.25) | 0 | 0.00 | |
| £19,240,322 Bought for US\$23,760,801 (expires 05.03.25) | 473 | 0.04 | |
| £(1,106,967) Sold for US\$1,381,271 (expires 05.03.25) | (13) | 0.00 | |
| Total portfolio | 1,143,959 | 98.17 | 98.50 |
| Net other assets/(liabilities) | 21,287 | 1.83 | 1.50 |
| Net assets attributable to shareholders | 1,165,246 | 100.00 | 100.00 |

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

Portfolio statement

Top ten portfolio transactions for the six months to 28 February 2025

| Largest purchases | \$'000 |
|---------------------------------|----------------|
| VF Corp. | 20,141 |
| Carrier Global Corp. | 19,321 |
| Royal Caribbean Cruises Ltd. | 18,427 |
| Seagate Technology Holdings PLC | 18,163 |
| Microsoft Corp. | 17,714 |
| Blue Owl Capital, Inc. | 14,867 |
| UnitedHealth Group, Inc. | 14,778 |
| NextEra Energy, Inc. | 14,275 |
| Alphabet, Inc. | 13,833 |
| Starbucks Corp. | 12,205 |
| Other purchases | 134,733 |
| Total purchases | 298,457 |

| Largest sales | \$'000 |
|--------------------------|----------------|
| Broadcom, Inc. | 39,160 |
| Visa, Inc. | 23,476 |
| Mastercard, Inc. | 23,176 |
| Blackrock, Inc. | 19,030 |
| NXP Semiconductors NV | 13,485 |
| Motorola Solutions, Inc. | 13,321 |
| American Tower Corp. | 13,097 |
| Sherwin-Williams Co. | 10,628 |
| Arthur J Gallagher & Co. | 8,241 |
| American Express Co. | 6,258 |
| Other sales | 34,886 |
| Total sales | 204,758 |

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

| Share class | Six months % ^a | Three years % pa | Five years % pa | Ten years % pa |
|---------------------------|------------------------------|---------------------|--------------------|-------------------|
| Sterling | | | | |
| Class 'A' Income | +8.4 | +13.7 | +15.0 | +13.6 |
| Class 'A' Accumulation | +8.4 | +13.7 | +15.0 | +13.6 |
| Class 'I' Income | +8.6 | +14.1 | +15.5 | +14.2 |
| Class 'I' Accumulation | +8.6 | +14.1 | +15.5 | +14.2 |
| Class 'I-H' Income | +4.0 | +10.5 | +13.8 | n/a |
| Class 'I-H' Accumulation | +4.0 | +10.5 | +13.9 | n/a |
| Class 'PP' Income | +8.6 | +14.3 | +15.6 | n/a |
| Class 'PP' Accumulation | +8.7 | +14.3 | +15.6 | n/a |
| Class 'PP-H' Income | +4.0 | +10.6 | +14.0 | n/a |
| Class 'PP-H' Accumulation | +4.1 | +10.7 | +14.0 | n/a |
| Class 'R' Income | +8.5 | +13.9 | +15.2 | +13.9 |
| Class 'R' Accumulation | +8.5 | +13.9 | +15.2 | +13.9 |
| Benchmark | +10.7 | +15.0 | +17.2 | +15.3 |

^a 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 28 March 1977.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 118,493 | 117,865 | 98,777 |
| Number of shares | 2,394,422 | 2,454,639 | 2,548,533 |
| Closing NAV per share (UK p) | 3,928.94 | 3,645.27 | 3,056.67 |
| Operating charges (%) | 0.95 | 1.02 | 1.01 |

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 194,621 | 192,836 | 180,400 |
| Number of shares | 3,166,519 | 3,239,980 | 3,770,130 |
| Closing NAV per share (UK p) | 4,879.70 | 4,518.33 | 3,773.62 |
| Operating charges (%) | 0.55 | 0.62 | 0.61 |

Sterling Class 'I-H' Income shares

The share class was launched on 6 December 2019.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|----------|----------|----------|
| Closing NAV (\$'000) | 194 | 77 | 77 |
| Number of shares | 92,381 | 36,080 | 46,244 |
| Closing NAV per share (UK p) | 166.92 | 161.34 | 130.80 |
| Operating charges (%) | 0.58 | 0.65 | 0.64 |

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|------------|------------|------------|
| Closing NAV (\$'000) | 95,498 | 74,401 | 49,619 |
| Number of shares | 42,193,612 | 33,963,761 | 28,202,521 |
| Closing NAV per share (UK p) | 179.69 | 166.30 | 138.75 |
| Operating charges (%) | 0.45 | 0.52 | 0.51 |

Sterling Class 'A' Accumulation shares

The share class was launched on 18 December 1972.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 113,259 | 113,445 | 96,731 |
| Number of shares | 1,492,268 | 1,549,076 | 1,660,877 |
| Closing NAV per share (UK p) | 6,025.73 | 5,559.61 | 4,593.15 |
| Operating charges (%) | 0.95 | 1.02 | 1.01 |

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 559,149 | 465,878 | 334,517 |
| Number of shares | 7,476,441 | 6,468,695 | 5,863,761 |
| Closing NAV per share (UK p) | 5,937.69 | 5,467.47 | 4,499.06 |
| Operating charges (%) | 0.55 | 0.62 | 0.61 |

Sterling Class 'I-H' Accumulation shares

The share class was launched on 6 December 2019.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 8,755 | 6,273 | 4,799 |
| Number of shares | 3,817,701 | 2,720,331 | 2,707,268 |
| Closing NAV per share (UK p) | 182.06 | 175.07 | 139.81 |
| Operating charges (%) | 0.58 | 0.65 | 0.64 |

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|------------|------------|-----------|
| Closing NAV (\$'000) | 39,943 | 29,901 | 16,093 |
| Number of shares | 14,950,370 | 11,627,904 | 7,908,640 |
| Closing NAV per share (UK p) | 212.12 | 195.22 | 160.48 |
| Operating charges (%) | 0.45 | 0.52 | 0.51 |

Financial highlights

Sterling Class 'PP-H' Income shares

The share class was launched on 6 December 2019.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|----------|----------|
| Closing NAV (\$'000) | 5,199 | 40 | 34 |
| Number of shares | 2,454,099 | 18,500 | 20,150 |
| Closing NAV per share (UK p) | 168.20 | 162.69 | 131.77 |
| Operating charges (%) | 0.48 | 0.55 | 0.54 |

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|----------|----------|----------|
| Closing NAV (\$'000) | 2,790 | 3,073 | 2,442 |
| Number of shares | 465,251 | 528,536 | 521,220 |
| Closing NAV per share (UK p) | 476.10 | 441.39 | 369.57 |
| Operating charges (%) | 0.80 | 0.87 | 0.86 |

Sterling Class 'PP-H' Accumulation shares

The share class was launched on 6 December 2019.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 8,927 | 8,431 | 5,821 |
| Number of shares | 3,867,408 | 3,636,619 | 3,269,648 |
| Closing NAV per share (UK p) | 183.26 | 175.99 | 140.42 |
| Operating charges (%) | 0.48 | 0.55 | 0.54 |

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 18,418 | 18,576 | 15,258 |
| Number of shares | 2,541,839 | 2,658,915 | 2,750,284 |
| Closing NAV per share (UK p) | 575.27 | 530.37 | 437.52 |
| Operating charges (%) | 0.80 | 0.87 | 0.86 |

Financial statements and notes

Financial statements

Statement of total return

| for the six months to 28 February and 29 February | 2025 | | 2024 | |
|---|---------|---------------|---------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Income | | | | |
| Net capital gains/(losses) | | 34,335 | | 120,714 |
| Revenue | 9,361 | | 7,807 | |
| Expenses | (3,554) | | (2,688) | |
| Interest payable and similar charges | (9) | | 0 | |
| Net revenue/(expense) before taxation | 5,798 | | 5,119 | |
| Taxation | (1,324) | | (1,089) | |
| Net revenue/(expense) after taxation | | 4,474 | | 4,030 |
| Total return before distributions | | 38,809 | | 124,744 |
| Distributions | | (4,554) | | (3,967) |
| Change in net assets attributable to shareholders from investment activities | | 34,255 | | 120,777 |

Statement of change in net assets attributable to shareholders

| for the six months to 28 February and 29 February | 2025 | | 2024 | |
|--|----------|------------------|----------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening net assets attributable to shareholders | | 1,030,796 | | 804,568 |
| Amounts received on issue of shares | 186,560 | | 97,706 | |
| Amounts paid on cancellation of shares | (88,816) | | (29,060) | |
| | | 97,744 | | 68,646 |
| Dilution adjustments | | 20 | | 45 |
| Change in net assets attributable to shareholders from investment activities (see above) | | 34,255 | | 120,777 |
| Retained distributions on Accumulation shares | | 2,416 | | 1,994 |
| Unclaimed distributions | | 15 | | 17 |
| Closing net assets attributable to shareholders | | 1,165,246 | | 996,047 |

The opening net assets attributable to shareholders for 2025 differs to the closing position in 2024 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 | 28 February 2025 \$'000 | 31 August 2024 \$'000 |
|--|----------------------------|--------------------------|
| Assets | | |
| Fixed assets | | |
| Investments | 1,143,972 | 1,015,354 |
| Current assets | | |
| Debtors | 1,178 | 3,578 |
| Cash and bank balances | 725 | 638 |
| Cash equivalents | 21,930 | 14,543 |
| Total assets | 1,167,805 | 1,034,113 |
| Liabilities | | |
| Investment liabilities | (13) | (9) |
| Creditors | | |
| Bank overdrafts | (197) | 0 |
| Distribution payable | (1,181) | (2,331) |
| Other creditors | (1,168) | (977) |
| Total liabilities | (2,559) | (3,317) |
| Net assets attributable to shareholders | 1,165,246 | 1,030,796 |

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 order to conduct a controlled dividend flow to shareholders, interim distributions will be at the fund manager's discretion, up to the maximum of the distributable income available for the period.

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 30 August 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 S&P 500 Index, over any five-year period.

Investment policy

At least 80% of the fund is invested directly in equity securities and equity related securities of companies across any sectors and market capitalisations that are incorporated, domiciled, or do most of their business activity in the United States of America and Canada.

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

The fund may also hold cash and near cash for liquidity purposes.

Derivatives may be used for efficient portfolio management and hedging.

Investment approach

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

The investment approach identifies shares of North American companies which, in the fund manager's opinion at the time of investment, are undervalued.

When analysing companies, the fund manager seeks to identify companies that are mispriced, while trying to avoid companies that are cheap for a reason and whose share prices are unlikely to improve over time.

The investment approach combines strict value-focused screening with rigorous qualitative analysis to ensure the fund has a consistent and disciplined value bias without compromising on the robustness of the companies in the portfolio.

The fund manager expects the overall stock selection and value style to be the main drivers of performance rather than any individual sector or stock.

Benchmark

S&P 500 Index

The benchmark is a target which the fund seeks to outperform. The index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

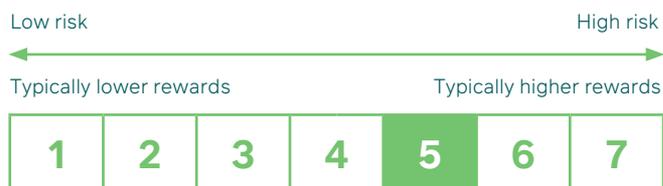
The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents.

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

Risk profile

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

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.

Authorised Corporate Director's Report

- has changed during this period. From 1 September 2024 to 13 February 2025 the risk number was 6.

Investment review

For the six months ended 28 February 2025

Performance against objective

Between 1 September 2024 (the start of the review period) and 28 February 2025, the fund's sterling share classes delivered a positive total return (the combination of income and growth of capital). However, the fund underperformed the benchmark, the S&P 500 Index, which advanced 10.7% in the review period.

Over five years, the fund generated a positive return but trailed its benchmark, which returned 17.2% pa over this period. Therefore, the fund did not meet its objective of providing a higher total return, net of the ongoing charge figure, than the S&P 500 Index over any five-year period.

For much of the past decade the 'value' investment style (investing in cheaper, out-of-favour stocks) has struggled to keep pace with the broader market. The fund's underperformance over the past five years was largely due to the significant headwind from its value investing approach, due in part to the rally in large-cap technology stocks in 2023 and 2024.

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

US equity markets initially weakened in September, affected by declines in technology stocks and poor US economic data. However, market sentiment improved following a 50 bps cut by the US Federal Reserve (Fed) and stimulus measures from the People's Bank of China. While October began positively, markets lost momentum by mid-month, with the S&P 500 Index marking its first loss in six months. Despite this, the US market outperformed globally, driven by NVIDIA and Alphabet.

November's main event was Donald Trump's swift presidential election victory, which, combined with strong economic data, propelled US markets to new highs. December saw the markets falling post-Fed meeting, which included a 25 bps rate cut and signals of slower easing due to inflation concerns.

2025 started strong with US markets hitting record highs in January, despite trade tariff concerns and eurozone economic issues. However, volatility returned, driven by a significant one-day sell-off in US technology stocks as China announced its low-cost artificial intelligence (AI) start-up DeepSeek. The markets were notably affected by economic data and President Trump's trade tariffs in February, and the 'Magnificent 7' Big Tech stocks suffered their worst monthly performance since December 2022.

The S&P 500 gained 7.7% (in US dollar terms) during the review period. In a market dominated by growth stocks, the fund's value bias worked against it, resulting in below-benchmark returns. The returns, based on market cap, have largely been driven by select stocks. For the S&P 500, it was mainly the top 10 largest holdings, all involved in developing AI and some of these are not eligible for us to hold in the fund.

Stock selection was the biggest detractor from relative performance during the period under review. Materials was the biggest negative contributor, due to both our stock selection and sector allocation. Within materials, FMC was one of our top detractors as the agricultural sciences company reported disappointing Q4 earnings and a bleak outlook for 2025. Our underweight in consumer discretionary also contributed negatively, not holding Tesla detracted from relative performance as it gained from expected pro-manufacturing policies, relaxing regulations on self-driving cars and record-high sales. However, the stock has seen some pressure in February amid worries about tariff effects and weak sales in Europe. Other notable detractors included semiconductor company Amkor Technology as it has suffered from the shortage of semiconductors and weak Q4 earnings, and no exposure to Amazon which performed well as it reported better-than-expected earnings.

Authorised Corporate Director's Report

In contrast, our underweight to technology was the largest contributor to relative performance. Within technology, not holding Microsoft was one of the largest individual relative contributors as the company reported disappointing Q1 and Q2 earnings and weaker-than-expected growth from Microsoft's Azure cloud computing platform. Our stock selection in utilities contributed positively, particularly Constellation Energy which has benefited from increasing power demand to meet AI computing resources. Other notable contributors included luxury fashion company Tapestry, performing well from a robust buyback programme, innovative product launches and earnings growth, and apparel and footwear company VF, driven by a strong cost optimisation programme and growth initiatives.

Investment activities

In Q4 2024, we started a new position in home appliances manufacturer Whirlpool, which was offering favourable valuations with depressed fundamentals, and US regional bank Western Alliance, which had more cushion against declining rates, is a potential beneficiary of the Trump administration and is trading at an undemanding valuation. In January 2025, we started a new position in natural gas and electric service provider PG&E Corp and in February, we started a new position in oil services company Halliburton.

In September 2024, we fully exited our position in Ebay following strong performance. We fully exited healthcare technology services provider GE Healthcare Technologies and tobacco products manufacturer Altria as both had performed well for us, and reallocated the capital to invest in other opportunities in Q4 2024. In February 2025, we completely exited crude oil tanker company DHT and Reinsurance Group of America.

Outlook

Looking ahead into 2025, robust economic growth and the prospect of falling interest rates could provide further gains in global equities. Inflation remains a critical factor, with central banks around the world likely to maintain a cautious approach to monetary policy, balancing the need to support growth while containing inflationary pressures.

US President Trump's policies are likely to remain the focus of many investors. Expectations of less regulation and lower taxes are positive for the immediate US macroeconomic picture, although the latter is not for the longer-term fiscal picture. Import tariffs, however, represent uncertainty. High import tariffs could have a negative effect on the US economy and, in particular, on inflation. Any inflationary impact from Trump's policies could change the trajectory of US Fed decision-making in the coming year. Trump's policies are also likely to result in a strong dollar in 2025, with implications for other markets outside the US.

Growth valuations are currently elevated, which may indicate that expectations are high and that prices may be ahead of fundamentals. High expectations, coupled with stretched valuations, can set the stage for a material downturn in some of the growth stocks if expectations are not met. Whereas, value-oriented sectors are predominantly trading at a discount to the broader market and are below their historical averages. We remain optimistic about the long-term outlook for value investing.

Daniel White

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 28.02.25 \$'000 | as at 28.02.25 % | as at 31.08.24 % |
|---|--------------------------|---------------------|---------------------|
| Equities | 296,702 | 97.12 | 96.71 |
| Oil, gas & consumable fuels | 14,124 | 4.62 | 4.32 |
| 36,829 Chevron Corp. | 5,762 | 1.89 | |
| 41,594 Cobalt International Energy, Inc. ^a | 0 | 0.00 | |
| 34,347 ConocoPhillips | 3,342 | 1.09 | |
| 75,203 Halliburton Co. | 1,967 | 0.64 | |
| 14,202 Hess Corp. | 2,090 | 0.68 | |
| 347,896 Kosmos Energy Ltd. | 963 | 0.32 | |
| Chemicals | 1,465 | 0.48 | 0.63 |
| 38,764 FMC Corp. | 1,465 | 0.48 | |
| Construction materials | 3,169 | 1.04 | 1.12 |
| 14,100 Eagle Materials, Inc. | 3,169 | 1.04 | |
| Containers & packaging | 1,880 | 0.62 | 0.77 |
| 36,692 Smurfit WestRock PLC | 1,880 | 0.62 | |
| Metals & mining | 7,483 | 2.45 | 2.63 |
| 701,456 Champion Iron Ltd. | 2,389 | 0.78 | |
| 277,245 Lundin Mining Corp. | 2,223 | 0.73 | |
| 21,505 Steel Dynamics, Inc. | 2,871 | 0.94 | |
| Building products | 2,996 | 0.98 | 1.05 |
| 19,646 Owens Corning | 2,996 | 0.98 | |
| Industrial conglomerates | 5,457 | 1.79 | 1.47 |
| 36,142 3M Co. | 5,457 | 1.79 | |
| Machinery | 7,219 | 2.36 | 2.50 |
| 9,390 Caterpillar, Inc. | 3,203 | 1.05 | |
| 39,586 Oshkosh Corp. | 4,016 | 1.31 | |
| Professional services | 2,019 | 0.66 | 0.69 |
| 36,134 ManpowerGroup, Inc. | 2,019 | 0.66 | |
| Airlines | 3,767 | 1.23 | 1.01 |
| 122,627 Southwest Airlines Co. | 3,767 | 1.23 | |
| Road & rail | 4,236 | 1.39 | 1.22 |
| 132,267 CSX Corp. | 4,236 | 1.39 | |
| Auto components | 1,063 | 0.35 | 0.36 |
| 28,589 Magna International, Inc. | 1,063 | 0.35 | |

Portfolio statement

Investments (continued)

| Holding | as at 28.02.25 \$'000 | as at 28.02.25 % | as at 31.08.24 % |
|---|--------------------------|---------------------|---------------------|
| Equities (continued) | | | |
| Automobiles | | | |
| 40,128 General Motors Co. | 1,918 | 0.63 | |
| Household durables | | | |
| 35,352 Whirlpool Corp. | 3,638 | 1.19 | |
| Leisure products | | | |
| 17,986 Brunswick Corp. | 1,083 | 0.35 | |
| Textiles, apparel & luxury goods | | | |
| 43,822 Tapestry, Inc. | 3,712 | 1.22 | |
| 182,578 VF Corp. | 4,473 | 1.46 | |
| Speciality retail | | | |
| 45,266 Best Buy Co., Inc. | 4,020 | 1.31 | |
| 18,990 Lowe's Cos., Inc. | 4,672 | 1.53 | |
| Food & staples retailing | | | |
| 88,838 Kroger Co. | 5,681 | 1.86 | |
| Beverages | | | |
| 44,487 Coca-Cola Europacific Partners PLC | 3,839 | 1.26 | |
| 79,110 Molson Coors Beverage Co. | 4,892 | 1.60 | |
| Food products | | | |
| 73,369 Mondelez International, Inc. | 4,694 | 1.54 | |
| Tobacco | | | |
| | 0 | 0.00 | 1.23 |
| Household products | | | |
| 101,283 Energizer Holdings, Inc. | 3,131 | 1.02 | |
| Personal products | | | |
| 385,817 Coty, Inc. | 2,221 | 0.73 | |
| 223,738 Kenvue, Inc. | 5,176 | 1.69 | |
| Health care equipment & supplies | | | |
| 35,034 Medtronic PLC | 3,182 | 1.04 | |
| 35,570 Zimmer Biomet Holdings, Inc. | 3,701 | 1.21 | |
| Health care providers & services | | | |
| 12,463 Elevance Health, Inc. | 4,893 | 1.60 | 1.27 |

Portfolio statement

Investments (continued)

| Holding | as at 28.02.25 \$'000 | as at 28.02.25 % | as at 31.08.24 % |
|---|--------------------------|---------------------|---------------------|
| Equities (continued) | | | |
| Biotechnology | 11,000 | 3.60 | 3.10 |
| 29,634 AbbVie, Inc. | 6,078 | 1.99 | |
| 43,866 Gilead Sciences, Inc. | 4,922 | 1.61 | |
| Pharmaceuticals | 19,270 | 6.31 | 6.87 |
| 75,752 Bristol-Myers Squibb Co. | 4,451 | 1.46 | |
| 32,472 Johnson & Johnson | 5,311 | 1.74 | |
| 41,894 Merck & Co., Inc. | 3,788 | 1.24 | |
| 140,913 Organon & Co. | 2,118 | 0.69 | |
| 138,067 Pfizer, Inc. | 3,602 | 1.18 | |
| Life sciences tools & services | 5,002 | 1.64 | 0.00 |
| 16,337 Amgen, Inc. | 5,002 | 1.64 | |
| Banks | 27,044 | 8.85 | 5.68 |
| 80,040 Citigroup, Inc. | 6,354 | 2.08 | |
| 36,892 JPMorgan Chase & Co. | 9,607 | 3.15 | |
| 92,376 Wells Fargo & Co. | 7,098 | 2.32 | |
| 46,137 Western Alliance Bancorp | 3,985 | 1.30 | |
| Diversified financial services | 3,751 | 1.23 | 0.94 |
| 53,106 Voya Financial, Inc. | 3,751 | 1.23 | |
| Capital markets | 3,958 | 1.30 | 1.05 |
| 50,005 Charles Schwab Corp. | 3,958 | 1.30 | |
| Insurance | 10,017 | 3.28 | 4.36 |
| 36,692 Hartford Insurance Group, Inc. | 4,319 | 1.41 | |
| 16,990 Willis Towers Watson PLC | 5,698 | 1.87 | |
| IT services | 5,367 | 1.76 | 2.59 |
| 8,045 Fiserv, Inc. | 1,868 | 0.61 | |
| 48,953 PayPal Holdings, Inc. | 3,499 | 1.15 | |
| Software | 12,593 | 4.12 | 4.01 |
| 27,032 Check Point Software Technologies Ltd. | 5,882 | 1.92 | |
| 38,033 Oracle Corp. | 6,294 | 2.06 | |
| 9,269 Sandisk Corp. | 417 | 0.14 | |
| Communications equipment | 7,737 | 2.53 | 2.29 |
| 120,875 Cisco Systems, Inc. | 7,737 | 2.53 | |

Portfolio statement

Investments (continued)

| Holding | as at 28.02.25 \$'000 | as at 28.02.25 % | as at 31.08.24 % |
|--|--------------------------|---------------------|---------------------|
| Equities (continued) | | | |
| Technology hardware, storage & peripherals | | | |
| 55,356 Seagate Technology Holdings PLC | 5,588 | 1.83 | |
| 27,807 Western Digital Corp. | 1,345 | 0.44 | |
| Electronic equipment, instruments & components | | | |
| 13,083 Fabrinet | 2,571 | 0.84 | |
| 125,763 Vishay Intertechnology, Inc. | 2,116 | 0.69 | |
| Semiconductors & semiconductor equipment | | | |
| 122,858 Amkor Technology, Inc. | 2,616 | 0.85 | |
| 172,892 Intel Corp. | 4,025 | 1.32 | |
| 34,185 Micron Technology, Inc. | 3,153 | 1.03 | |
| 29,679 QUALCOMM, Inc. | 4,610 | 1.51 | |
| Diversified telecommunication services | | | |
| 132,680 Verizon Communications, Inc. | 5,729 | 1.88 | |
| Media | | | |
| 108,924 Comcast Corp. | 3,856 | 1.26 | |
| Entertainment | | | |
| 303,355 Warner Bros Discovery, Inc. | 3,352 | 1.10 | |
| Interactive media & services | | | |
| 55,110 Alphabet, Inc. | 9,319 | 3.05 | |
| 2,758 Meta Platforms, Inc. | 1,827 | 0.60 | |
| Electric utilities | | | |
| 14,160 Constellation Energy Corp. | 3,507 | 1.15 | |
| 131,429 Exelon Corp. | 5,758 | 1.88 | |
| 204,726 PG&E Corp. | 3,254 | 1.07 | |
| Independent power and renewable electricity producers | | | |
| 94,625 AES Corp. | 1,042 | 0.34 | |
| Equity real estate investment trusts (REITs) | | | |
| 135,716 Highwoods Properties, Inc. | 3,917 | 1.28 | |
| 84,692 NNN REIT, Inc. | 3,574 | 1.17 | |

Portfolio statement

Investments (continued)

| Holding | as at 28.02.25 \$'000 | as at 28.02.25 % | as at 31.08.24 % |
|---|--------------------------|---------------------|---------------------|
| Total portfolio | 296,702 | 97.12 | 96.71 |
| Net other assets/(liabilities) | 8,801 | 2.88 | 3.29 |
| Net assets attributable to shareholders | 305,503 | 100.00 | 100.00 |

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

^a Delisted.

Portfolio statement

Top ten portfolio transactions for the six months to
28 February 2025

| Largest purchases | \$'000 |
|---------------------------------|---------------|
| Amgen, Inc. | 6,038 |
| Whirlpool Corp. | 4,638 |
| Western Alliance Bancorp | 4,076 |
| PG&E Corp. | 3,613 |
| Elevance Health, Inc. | 2,584 |
| Halliburton Co. | 1,998 |
| Seagate Technology Holdings PLC | 1,949 |
| Verizon Communications, Inc. | 1,607 |
| Citigroup, Inc. | 1,581 |
| Mondelez International, Inc. | 1,565 |
| Other purchases | 28,817 |
| Total purchases | 58,466 |

| Largest sales | \$'000 |
|------------------------------------|----------------|
| Meta Platforms, Inc. | 15,229 |
| Alphabet, Inc. | 10,419 |
| Reinsurance Group of America, Inc. | 5,808 |
| Constellation Energy Corp. | 5,648 |
| Altria Group, Inc. | 5,023 |
| Oracle Corp. | 4,544 |
| Fiserv, Inc. | 4,129 |
| Johnson & Johnson | 3,966 |
| General Motors Co. | 3,619 |
| Cisco Systems, Inc. | 3,603 |
| Other sales | 98,979 |
| Total sales | 160,967 |

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

| Share class | Six months % ^a | Three years % pa | Five years % pa | Ten years % pa |
|-------------------------|------------------------------|---------------------|--------------------|-------------------|
| Sterling | | | | |
| Class 'A' Income | +9.2 | +11.7 | +13.3 | +10.5 |
| Class 'A' Accumulation | +9.2 | +11.7 | +13.3 | +10.6 |
| Class 'I' Income | +9.4 | +12.2 | +13.8 | +11.2 |
| Class 'I' Accumulation | +9.4 | +12.2 | +13.8 | +11.2 |
| Class 'PP' Income | +9.5 | +12.3 | +13.9 | n/a |
| Class 'PP' Accumulation | +9.5 | +12.3 | +13.9 | n/a |
| Class 'R' Income | +9.3 | +11.9 | +13.5 | +10.9 |
| Class 'R' Accumulation | +9.3 | +11.9 | +13.5 | +10.9 |
| Benchmark | +10.7 | +15.0 | +17.2 | +15.3 |

^a 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 1 July 2005.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|------------|------------|------------|
| Closing NAV (\$'000) | 118,250 | 113,184 | 98,434 |
| Number of shares | 45,589,895 | 45,564,361 | 45,665,044 |
| Closing NAV per share (UK p) | 205.93 | 188.57 | 170.00 |
| Operating charges (%) | 0.95 | 0.98 | 0.96 |

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|----------|----------|-----------|
| Closing NAV (\$'000) | 24,330 | 44,616 | 42,007 |
| Number of shares | 479,069 | 919,147 | 1,001,286 |
| Closing NAV per share (UK p) | 4,032.10 | 3,685.02 | 3,308.59 |
| Operating charges (%) | 0.55 | 0.58 | 0.56 |

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|------------|------------|------------|
| Closing NAV (\$'000) | 43,911 | 96,903 | 25,807 |
| Number of shares | 22,161,093 | 51,194,481 | 15,791,595 |
| Closing NAV per share (UK p) | 157.31 | 143.69 | 128.88 |
| Operating charges (%) | 0.45 | 0.48 | 0.46 |

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|----------|----------|----------|
| Closing NAV (\$'000) | 553 | 553 | 539 |
| Number of shares | 111,195 | 116,202 | 130,812 |
| Closing NAV per share (UK p) | 394.50 | 360.99 | 324.93 |
| Operating charges (%) | 0.80 | 0.83 | 0.81 |

Sterling Class 'A' Accumulation shares

The share class was launched on 1 July 2005.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 3,772 | 3,673 | 2,933 |
| Number of shares | 1,204,733 | 1,224,929 | 1,149,814 |
| Closing NAV per share (UK p) | 248.56 | 227.64 | 201.15 |
| Operating charges (%) | 0.95 | 0.98 | 0.96 |

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|-----------|-----------|-----------|
| Closing NAV (\$'000) | 62,737 | 82,365 | 89,960 |
| Number of shares | 1,009,372 | 1,386,336 | 1,787,455 |
| Closing NAV per share (UK p) | 4,934.67 | 4,510.28 | 3,969.12 |
| Operating charges (%) | 0.55 | 0.58 | 0.56 |

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|------------|------------|------------|
| Closing NAV (\$'000) | 46,677 | 50,624 | 51,341 |
| Number of shares | 20,556,596 | 23,335,706 | 27,965,133 |
| Closing NAV per share (UK p) | 180.28 | 164.69 | 144.79 |
| Operating charges (%) | 0.45 | 0.48 | 0.46 |

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

| | 28.02.25 | 31.08.24 | 31.08.23 |
|------------------------------|----------|----------|----------|
| Closing NAV (\$'000) | 5,273 | 4,974 | 4,408 |
| Number of shares | 876,044 | 863,423 | 901,024 |
| Closing NAV per share (UK p) | 477.91 | 437.35 | 385.84 |
| Operating charges (%) | 0.80 | 0.83 | 0.81 |

Financial statements and notes

Financial statements

Statement of total return

| for the six months to 28 February and 29 February | 2025 | | 2024 | |
|---|---------|---------------|---------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Income | | | | |
| Net capital gains/(losses) | | 15,677 | | 31,204 |
| Revenue | 4,802 | | 4,877 | |
| Expenses | (1,228) | | (1,160) | |
| Interest payable and similar charges | (2) | | 0 | |
| Net revenue/(expense) before taxation | 3,572 | | 3,717 | |
| Taxation | (609) | | (615) | |
| Net revenue/(expense) after taxation | | 2,963 | | 3,102 |
| Total return before equalisation | | 18,640 | | 34,306 |
| Equalisation | | (806) | | (703) |
| Change in net assets attributable to shareholders from investment activities | | 17,834 | | 33,603 |

Statement of change in net assets attributable to shareholders

| for the six months to 28 February and 29 February | 2025 | | 2024 | |
|--|-----------|----------------|-----------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening net assets attributable to shareholders | | 396,892 | | 315,429 |
| Amounts received on issue of shares | 13,480 | | 101,390 | |
| Amounts paid on cancellation of shares | (122,751) | | (120,389) | |
| | | (109,271) | | (18,999) |
| Dilution adjustments | | 48 | | 106 |
| Change in net assets attributable to shareholders from investment activities (see above) | | 17,834 | | 33,603 |
| Closing net assets attributable to shareholders | | 305,503 | | 330,139 |

The opening net assets attributable to shareholders for 2025 differs to the closing position in 2024 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 | 28 February 2025 \$'000 | 31 August 2024 \$'000 |
|--|----------------------------|--------------------------|
| Assets | | |
| Fixed assets | | |
| Investments | 296,702 | 383,854 |
| Current assets | | |
| Debtors | 1,306 | 981 |
| Cash and bank balances | 299 | 835 |
| Cash equivalents | 8,485 | 17,412 |
| Total assets | 306,792 | 403,082 |
| Liabilities | | |
| Creditors | | |
| Distribution payable | 0 | (5,180) |
| Other creditors | (1,289) | (1,010) |
| Total liabilities | (1,289) | (6,190) |
| Net assets attributable to shareholders | 305,503 | 396,892 |

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.

Other regulatory disclosures

EU Sustainable Finance Disclosure Regulation

SFDR

The M&G Global Themes Fund is categorised as an Article 6 fund under SFDR.

Taxonomy Regulation

The M&G Global Themes Fund's underlying investments do not take into account the EU criteria for environmental sustainable economic activities.

