M&G Investments

M&G Investment Funds (3)

Interim report and unaudited financial statements for the six months ended 31 December 2025

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Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Investment Funds (3) presents its interim report and unaudited financial statements for the six months ended 31 December 2025.

The unaudited financial statements of M&G Investment Funds (3), 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 (3) is an umbrella Open-Ended Investment Company (OEIC) and contains six 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 8 August 2001 and was launched on 7 March 2002, 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 31 December 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 Corporate Bond Fund
Richard Woolnough and Ben Lord

M&G Dividend Fund
Michael Stiasny

M&G Emerging Markets Bond Fund
Charles de Quinsonas and Nick Smallwood

Please note that effective from 1 September 2025, Nick Smallwood replaced Claudia Calich as co-fund manager.

Please also note that effective from 1 January 2026, Carlos Carranza was appointed as co-fund manager.

M&G Global Government Bond Fund
Eva Sun-Wai

M&G Recovery Fund
Michael Stiasny

M&G Smaller Companies Fund
James Taylor

ACD

M&G Securities Limited
10 Fenchurch Avenue, London EC3M 5AG, UK
Telephone: 0800 390 390 (UK only)
(Authorised and regulated by the Financial Conduct Authority. M&G Securities Limited is a member of the Investment Association and of The Investing and Saving Alliance)

Directors of the ACD

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

* Resigned 1 October 2025.

Authorised Corporate Director's Report

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)

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

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

Annual value assessment

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

Climate-related Financial Disclosures (TCFD)

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

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

Important information

With effect from 1 September 2025, Claudia Calich resigned and Nick Smallwood was appointed as co-fund manager of the M&G Emerging Markets Bond Fund. With effect from 1 January 2026, Carlos Carranza was appointed as co-fund manager of the M&G Emerging Markets Bond Fund.

Financial markets continue to be impacted by the invasion of Ukraine. Within the portfolios a small number of Russian securities are held. These securities were fair valued by M&G's Valuation Sub Committee and marked as such in the portfolio statement. In addition, certain funds also hold Russian (RUB) cash balances. The Russian securities and cash are treated as non-contributing to the Net Asset Value and marked at nil, the status of both is reviewed periodically.

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

Investor information

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

Authorised Corporate Director's Report

Customer services and administration for UK clients:

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

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

Telephone: 0800 390 390 (UK only)

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

Authorised Corporate Director's Report

Authorised Corporate Director's Responsibilities

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

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

Directors' statement

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

M&G Securities Limited
26 February 2026

Financial statements and notes

The financial statements for M&G Investment Funds (3) 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 30 June 2025. 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 28 April 2025 has been used.

Investment objective

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

Investment policy

At least 70% of the fund is invested, directly or indirectly through derivatives, in investment grade corporate debt securities including investment grade asset-backed securities. These securities can be issued by companies from anywhere in the world, including emerging markets. These securities are denominated in sterling or hedged back to sterling.

Other investments may include:

- debt securities issued or guaranteed by governments and their agencies, public authorities, quasi-sovereigns and supranational bodies and denominated in any currency;
- below investment grade and unrated debt securities;
- below investment grade and unrated asset-backed securities; and
- other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

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

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

Investment approach

The fund is diversified across a range of investment grade debt securities from a variety of sectors and geographies. The fund's investment approach is based on the principle that returns from corporate bond markets are driven by a combination of macroeconomic, asset class, sector, geographic and stock-level factors. As different factors dominate returns at different stages of the economic cycle, the fund manager applies a flexible investment approach, changing the blend of duration and credit exposure in the portfolio to weight them appropriately. Individual credit selection is carried out with the assistance of an in-house team of credit analysts to complement the fund manager's views.

Benchmark

iBoxx Sterling Corporates GBP 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.

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.

Low risk — High risk

Typically lower rewards — Typically higher rewards

1	2	3	**4**	5	6	7

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 31 December 2025

Performance against objective

Over the reporting period, the fund delivered positive returns across all share classes. However, it finished behind its benchmark, the iBoxx Sterling Corporates GBP Index, which returned 3.6% over the same period.

Over five years, the fund's Sterling Class 'PP' shares and Sterling Class 'I' shares outperformed the benchmark. The fund's Sterling Class 'R' shares performed in-line with the benchmark, whereas the fund's Sterling Class 'A' shares were behind the benchmark's return of -0.2% pa. The fund's objective is to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than the average return of the iBoxx Sterling Corporates GBP Index over any five-year period.

It should be noted that prior to 6 March 2023, the benchmark was the IA Sterling Corporate Bond Sector. Thereafter, it is the iBoxx Sterling Corporates GBP Index. The performance of the sector and that of the index have been linked to reflect the change.

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

UK government bonds (gilts) recorded a return of 2.5% in the second half of 2025, performing just ahead of US Treasuries (2.3%), but significantly outperforming German bunds, which lost value (-0.9%). Yields on 10-year government bonds in the US and UK fluctuated throughout the six months, but started and ended the period at 4.5% and 4.2% respectively. Meanwhile, German 10-year bund yields rose from 2.6% to 2.9% as investors digested news about looser fiscal policy.

While the European Central Bank left interest rates unchanged at 2% throughout the review period, with growth and inflation risks in the euro area evenly balanced, the US Federal Reserve made three, quarter-point reductions in the second half of 2025, bringing interest rates into a range of 3.50% to 3.75%, against a backdrop of a weakening jobs market.

Whilst gilts recorded gains in the second half of 2025, the third quarter saw them lose value. After reducing its interest rate by a quarter of a percentage point to 4% in August – its third rate cut of 2025 – the Bank of England (BoE) paused its monetary easing cycle, citing persistent domestic inflationary pressures.

However, October brought a welcome tailwind for gilt markets, driven by a number of supportive developments: a softer-than-expected inflation print, combined with reassuring signals from political parties underscoring the importance of fiscal discipline. The gilt yield curve shifted lower and flattened (the yield curve is a comparison of government bond yields across different maturities), with short-dated yields falling by 20–25 basis points and the long end by around 30 basis points.

The UK budget announcement in November proved supportive from a market perspective. Headroom

Authorised Corporate Director's Report

against fiscal rules was larger than anticipated, and the gilt remit for this fiscal year came in below expectations, helping soothe concerns.

The BoE delivered a widely anticipated 25 basis point rate cut at its 18 December meeting, lowering the Bank Rate from 4.00% to 3.75%. This decision was reinforced by better-than-expected inflation data released the day before. These developments supported the market's view that monetary policy will remain on an easing trajectory, albeit gradual.

Following a steady tightening of sterling investment grade credit spreads in the third quarter of 2025, moves in the fourth quarter were more measured. (Credit spreads measure the difference between the yield of a corporate bond and a government bond of the same maturity.) Credit markets continued their steady grind tighter in October and then remained broadly stable for the rest of the year. UK investment grade (IG) credit recorded a return of 3.5% in the second half of 2025, while US IG credit posted returns of 3.4% and eurozone IG credit returned 1.2%.

The fund recorded a positive return in the six-month period, but lagged its benchmark.

Corporate credit positioning detracted from relative performance, which was mainly due to security selection, whereas credit sector allocation made a small contribution. From an issuer perspective, Meta Platforms, Amazon and Oracle detracted the most from total returns, whereas UK gilts, British Telecommunications and Imperial Brands Finance were the top contributors.

Long duration positioning was the biggest contributor to relative returns. (Duration is a measure of a bond's sensitivity to changes in interest rates – the longer a bond's duration the more sensitive it is to interest rate movements.)

Investment activities

We were active adjusting the fund's duration throughout the second half of 2025, responding to market performance. The fund's active duration was +1.05 years versus its benchmark at the start of the review period and we increased it to +1.23 years at the end of September. We reduced it meaningfully in October in response to market moves and it ended the year at +0.9 years.

Credit activity was relatively limited in July, with a few switches out of industrials and into utilities. We participated in a new issue from Southern Water towards the end of the month (a holding which was sold later on in the reporting period), with all other trading focusing on relative value switches.

In August, we trimmed our exposure to certain names that had re-rated significantly and which appeared overpriced relative to their fundamentals. This included, for example, some tobacco companies such as Philip Morris and British American Tobacco (BAT). We also continued to reduce our exposure to longer-dated corporate bonds, as bond yield differences across maturities appeared historically flat, which limited the relative upside potential for these bonds. Additionally, we continued to seek opportunities to extract additional returns by taking advantage of market inefficiencies. For example, we executed several relative value switches involving issuers such as Verizon and Heathrow, where we secured a historically higher premium by moving into bonds offering better value at different maturities. Trading activity picked up in September, with a series of relative value switches. We reduced exposure to CaixaBank, Australia & New Zealand Banking, Electricite de France, and Philip Morris. On the other hand, we added positions in Enel, GlaxoSmithKline, Yorkshire Water, National Grid Electricity Transmission, Suez, AT&T, Scottish Widows, amongst others. These trades reflect a continued preference for higher-quality issuers.

We traded actively in October, with numerous switches and relative value trades carried out. We also participated in Meta's multi-tranche USD issuance at month-end, adding exposure to 20-, 30-, and 40-year maturities.

In November, we participated in attractively priced new issues from Alphabet early in the month and Amazon later on. These are very high-quality names that came to

Authorised Corporate Director's Report

market at compelling levels. Elsewhere, we closed out the small exposure we held in Italian government bonds.

Fund activity was unsurprisingly subdued in December. We participated in two new issues early in the month – ABN AMRO and United Overseas Bank – alongside modest top-ups in long-dated Meta bonds that were added in October.

By year-end the fund's spread duration was in-line with the benchmark's, having started the review period very slightly above it. (Spread duration is a measure of a bond's price sensitivity to changes in its credit spread.)

Outlook

As we enter 2026, markets will remain firmly focused on the Bank of England's policy path, which will be shaped by the interplay between inflation trends and economic growth. Current pricing suggests only one to two additional 25 basis point cuts over the course of the year.

Political risk could also come into sharper focus, with local elections in May viewed as a potential bellwether for leadership dynamics within the Labour Party – an outcome that could introduce volatility, depending on perceptions of fiscal credibility of the more successful parties.

In this environment, maintaining flexibility across both duration and credit positioning remains critical as restrictive monetary policy continues to weigh on economic momentum. The fund maintains a cautious stance, continuing to reduce credit risk.

Richard Woolnough and Ben Lord
Co-fund managers

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

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

Portfolio statement

Investments

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income	**1,152,746**	**95.35**	**93.25**
	Euro denominated bonds	**45,020**	**3.72**	**5.00**
	Corporate bonds	**44,280**	**3.66**	**4.69**
EUR1,500,000	ABN AMRO Bank NV Var 5.75% Perpetual	1,322	0.11	
EUR1,000,000	Allianz SE Var 2.625% Perpetual	789	0.07	
EUR5,000,000	Alphabet, Inc. 4.375% 06/11/2064	4,155	0.34	
EUR2,500,000	AXA SA Var 6.375% Perpetual	2,340	0.19	
EUR3,500,000	BMS Ireland Capital Funding DAC 4.289% 10/11/2045	2,988	0.25	
EUR4,000,000	BMS Ireland Capital Funding DAC 4.581% 10/11/2055	3,400	0.28	
EUR1,000,000	Credit Agricole SA Var 5.875% Perpetual	894	0.07	
EUR1,500,000	Iberdrola International BV Var 2.25% Perpetual	1,255	0.10	
EUR5,000,000	JT International Financial Services BV 3.625% 11/04/2034	4,288	0.36	
EUR5,000,000	Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen Var 4.25% 26/05/2044	4,432	0.37	
EUR1,000,000	NN Group NV Var 5.75% Perpetual	887	0.07	
EUR1,638,000	NN Group NV Var 6.375% Perpetual	1,511	0.13	
EUR4,000,000	Philip Morris International, Inc. 1.45% 01/08/2039	2,460	0.20	
EUR8,000,000	Philip Morris International, Inc. 1.875% 06/11/2037	5,475	0.45	
EUR8,000,000	Philip Morris International, Inc. 2% 09/05/2036	5,769	0.48	
EUR3,000,000	TotalEnergies SE Var 2.125% Perpetual	2,315	0.19	
	Government bonds	**740**	**0.06**	**0.31**
EUR1,000,000	SNCF Reseau 4.125% 22/03/2062	740	0.06	
	Sterling denominated bonds	**1,068,453**	**88.38**	**86.72**
	Corporate bonds	**895,463**	**74.07**	**74.10**
GBP3,400,000	ABN AMRO Bank NV 4.625% 08/11/2030	3,383	0.28	
GBP6,000,000	ABN AMRO Bank NV 5.125% 22/02/2028	6,106	0.51	
GBP7,500,000	Aegon Ltd. 6.625% 16/12/2039	8,136	0.67	
GBP3,000,000	America Movil SAB de CV 4.948% 22/07/2033	2,973	0.25	
GBP2,000,000	Anglian Water Services Financing PLC 5.75% 07/06/2043	1,826	0.15	
GBP3,000,000	Anglian Water Services Financing PLC 6.25% 12/09/2044	2,882	0.24	
GBP5,000,000	APA Infrastructure Ltd. 3.125% 18/07/2031	4,560	0.38	
GBP7,500,000	Apple, Inc. 3.6% 31/07/2042	6,124	0.51	
GBP5,000,000	Aroundtown SA 3% 16/10/2029	4,631	0.38	
GBP10,000,000	AT&T, Inc. 4.25% 01/06/2043	7,977	0.66	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	Sterling denominated bonds (continued)			
	Corporate bonds (continued)			
GBP2,000,000	AT&T, Inc. 4.875% 01/06/2044	1,716	0.14	
GBP5,000,000	Australia & New Zealand Banking Group Ltd. Var 1.809% 16/09/2031	4,909	0.41	
GBP8,000,000	Aviva PLC Var 4% 03/06/2055	6,943	0.57	
GBP6,017,000	Aviva PLC Var 4.375% 12/09/2049	5,928	0.49	
GBP1,000,000	Aviva PLC Var 6.125% 12/09/2054	1,022	0.08	
GBP3,000,000	Banco Bilbao Vizcaya Argentaria SA Var 3.104% 15/07/2031	2,976	0.25	
GBP10,000,000	Banco Santander SA Var 2.25% 04/10/2032	9,625	0.80	
GBP800,000	Banco Santander SA 5.125% 25/01/2030	818	0.07	
GBP800,000	Banco Santander SA 5.375% 17/01/2031	826	0.07	
GBP5,414,000	Bank of America Corp. Var 1.667% 02/06/2029	5,091	0.42	
GBP3,500,000	Bank of Ireland Group PLC Var 7.594% 06/12/2032	3,660	0.30	
GBP5,000,000	Barclays Bank U.K. PLC FRN 4.2517% 13/03/2029	5,004	0.41	
GBP5,000,000	Barclays PLC Var 6.369% 31/01/2031	5,287	0.44	
GBP5,000,000	Barclays PLC Var 8.407% 14/11/2032	5,312	0.44	
GBP3,000,000	BAT International Finance PLC 2.25% 09/09/2052	1,461	0.12	
GBP5,000,000	BAT International Finance PLC 4% 23/11/2055	3,434	0.28	
GBP1,500,000	BAT International Finance PLC 5.75% 05/07/2040	1,459	0.12	
GBP25,000,000	Berkshire Hathaway Finance Corp. 2.375% 19/06/2039	17,742	1.47	
GBP17,000,000	BG Energy Capital PLC 5% 04/11/2036	16,705	1.38	
GBP1,000,000	BNP Paribas SA 2% 13/09/2036	726	0.06	
GBP4,000,000	BNP Paribas SA 2.875% 24/02/2029	3,803	0.31	
GBP8,000,000	BNP Paribas SA 5.75% 13/06/2032	8,307	0.69	
GBP2,000,000	BNP Paribas SA Var 2% 24/05/2031	1,979	0.16	
GBP8,000,000	BPCE SA Var 2.5% 30/11/2032	7,662	0.63	
GBP3,000,000	BPCE SA Var 5.375% 22/10/2031	3,055	0.25	
GBP7,500,000	British Telecommunications PLC 3.625% 21/11/2047	5,241	0.43	
GBP12,000,000	British Telecommunications PLC 5.625% 03/12/2041	11,521	0.95	
GBP5,000,000	British Telecommunications PLC 6.375% 23/06/2037	5,300	0.44	
GBP2,840,000	Broadgate Financing PLC 4.821% 05/07/2036	2,793	0.23	
GBP668,300	Broadgate Financing PLC 4.999% 05/10/2033	665	0.06	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	Sterling denominated bonds (continued)			
	Corporate bonds (continued)			
GBP2,000,000	BUPA Finance PLC 4.125% 14/06/2035	1,762	0.15	
GBP11,000,000	Cadent Finance PLC 2.625% 22/09/2038	7,798	0.65	
GBP5,000,000	CaixaBank SA Var 3.5% 06/04/2028	4,954	0.41	
GBP4,429,000	Canadian Imperial Bank of Commerce FRN 4.7589% 23/06/2026	4,443	0.37	
GBP3,000,000	Centrica PLC 7% 19/09/2033	3,326	0.28	
GBP7,000,000	Channel Link Enterprises Finance PLC Var 3.043% 30/06/2050	6,522	0.54	
GBP1,500,000	Cie de Saint-Gobain SA 4.625% 09/10/2029	1,513	0.13	
GBP3,000,000	Comcast Corp. 1.875% 20/02/2036	2,194	0.18	
GBP8,000,000	Cooperatieve Rabobank UA 4.625% 23/05/2029	7,994	0.66	
GBP172,859	Coventry & Rugby Hospital Co. PLC Inflation-Linked 3.246% 30/06/2040	357	0.03	
GBP2,500,000	Coventry Building Society 2% 20/12/2030	2,209	0.18	
GBP2,785,000	CPUK Finance Ltd. 3.69% 28/02/2047	2,702	0.22	
GBP7,700,000	Credit Agricole SA Var 1.874% 09/12/2031	7,517	0.62	
GBP2,000,000	Credit Agricole SA Var 5.75% 29/11/2027	2,029	0.17	
GBP5,000,000	Credit Agricole SA Var 6% 22/10/2035	5,147	0.43	
GBP3,000,000	Diageo Finance PLC 2.75% 08/06/2038	2,283	0.19	
GBP1,483,000	DWR Cymru Financing U.K. PLC 2.375% 31/03/2034	1,126	0.09	
GBP5,000,000	E.ON International Finance BV 4.75% 31/01/2034	4,863	0.40	
GBP6,000,000	E.ON International Finance BV 5.875% 30/10/2037	6,084	0.50	
GBP2,000,000	E.ON International Finance BV 6.125% 06/07/2039	2,051	0.17	
GBP1,000,000	E.ON International Finance BV 6.375% 07/06/2032	1,080	0.09	
GBP8,000,000	Electricite de France SA 5.5% 17/10/2041	7,370	0.61	
GBP4,000,000	Electricity North West Ltd. 8.875% 25/03/2026	4,040	0.33	
GBP7,000,000	Enel Finance International NV 5.75% 14/09/2040	6,923	0.57	
GBP15,000,000	Engie SA 5.75% 28/10/2050	14,089	1.17	
GBP1,865,000	ENW Finance PLC 4.893% 24/11/2032	1,868	0.15	
GBP5,000,000	Gatwick Funding Ltd. 2.625% 07/10/2048	2,988	0.25	
GBP5,000,000	Gatwick Funding Ltd. 2.875% 05/07/2051	2,990	0.25	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	Sterling denominated bonds (continued)			
	Corporate bonds (continued)			
GBP11,000,000	Gatwick Funding Ltd. 3.125% 28/09/2041	8,188	0.68	
GBP3,000,000	Gatwick Funding Ltd. 5.5% 04/04/2042	2,878	0.24	
GBP5,000,000	GlaxoSmithKline Capital PLC 4.25% 18/12/2045	4,132	0.34	
GBP2,500,000	GlaxoSmithKline Capital PLC 6.375% 09/03/2039	2,707	0.22	
GBP3,000,000	Goldman Sachs Group, Inc. 6.875% 18/01/2038	3,271	0.27	
GBP3,000,000	Grand Union Group Funding PLC 4.625% 04/12/2043	2,544	0.21	
GBP913,000	Great Portland Estates PLC 5.375% 25/09/2031	925	0.08	
GBP542,806	Greater Gabbard OFTO PLC 4.137% 29/11/2032	531	0.04	
GBP908,281	Greene King Finance PLC 4.0643% 15/03/2035	861	0.07	
GBP1,006,485	Greene King Finance PLC 5.318% 15/09/2031	1,011	0.08	
GBP4,000,000	Hammerson PLC 5.875% 08/10/2036	4,010	0.33	
GBP15,000,000	Heathrow Funding Ltd. 2.75% 09/08/2051	8,754	0.72	
GBP5,000,000	Heathrow Funding Ltd. 5.875% 13/05/2043	4,932	0.41	
GBP2,500,000	Heathrow Funding Ltd. 6.45% 10/12/2033	2,687	0.22	
GBP4,000,000	HJ Heinz Finance U.K. PLC 6.25% 18/02/2030	4,194	0.35	
GBP5,000,000	Holcim Sterling Finance Netherlands BV 3% 12/05/2032	4,501	0.37	
GBP1,192,000	Housing Finance Corp. Ltd. 5% 30/09/2027	1,187	0.10	
GBP3,000,000	HSBC Holdings PLC 7% 07/04/2038	3,269	0.27	
GBP2,000,000	HSBC Holdings PLC Var 3% 29/05/2030	1,906	0.16	
GBP3,000,000	HSBC Holdings PLC Var 8.201% 16/11/2034	3,315	0.27	
GBP20,000,000	Imperial Brands Finance PLC 4.875% 07/06/2032	19,712	1.63	
GBP4,000,000	ING Groep NV Var 6.25% 20/05/2033	4,120	0.34	
GBP844,084	Integrated Accommodation Services PLC 6.48% 31/03/2029	869	0.07	
GBP5,000,000	InterContinental Hotels Group PLC 3.375% 08/10/2028	4,852	0.40	
GBP8,000,000	International Business Machines Corp. 4.875% 06/02/2038	7,517	0.62	
GBP5,000,000	Intesa Sanpaolo SpA 2.625% 11/03/2036	3,872	0.32	
GBP728,000	Intesa Sanpaolo SpA 5.148% 10/06/2030	733	0.06	
GBP5,000,000	Intesa Sanpaolo SpA 6.625% 31/05/2033	5,450	0.45	
GBP3,500,000	Intesa Sanpaolo SpA 8.505% 20/09/2032	4,082	0.34	
GBP2,500,000	JT International Financial Services BV 2.75% 28/09/2033	2,128	0.18	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	Sterling denominated bonds (continued)			
	Corporate bonds (continued)			
GBP3,000,000	La Banque Postale SA Var 5.625% 21/09/2028	3,050	0.25	
GBP5,877,000	Land Securities Capital Markets PLC 2.399% 08/02/2031	5,533	0.46	
GBP5,000,000	Land Securities Capital Markets PLC 2.625% 22/09/2039	3,810	0.32	
GBP5,000,000	Land Securities Capital Markets PLC 4.75% 18/09/2033	5,018	0.42	
GBP2,000,000	Land Securities Capital Markets PLC 4.875% 15/09/2034	2,015	0.17	
GBP4,000,000	Leeds Building Society FRN 4.2222% 04/04/2029	4,005	0.33	
GBP10,000,000	Legal & General Group PLC Var 5.125% 14/11/2048	10,080	0.83	
GBP5,100,000	Legal & General Group PLC Var 6.625% 01/04/2055	5,353	0.44	
GBP2,500,000	Lloyds Bank PLC 6.5% 17/09/2040	2,747	0.23	
GBP350,000	Lloyds Bank PLC 11.75% Perpetual	625	0.05	
GBP15,000,000	Lloyds Banking Group PLC Var 2.707% 03/12/2035	13,451	1.11	
GBP787,000	Lloyds Banking Group PLC Var 7.5% Perpetual	817	0.07	
GBP1,562,000	Logicor Financing SARL 2.75% 15/01/2030	1,433	0.12	
GBP1,000,000	London & Quadrant Housing Trust 2.625% 28/02/2028	960	0.08	
GBP750,000	Longstone Finance PLC 4.896% 19/04/2036	735	0.06	
GBP2,000,000	Manchester Airport Group Funding PLC 2.875% 31/03/2039	1,488	0.12	
GBP2,500,000	Manchester Airport Group Funding PLC 2.875% 30/09/2044	1,627	0.13	
GBP8,000,000	Manchester Airport Group Funding PLC 4.75% 31/03/2034	7,809	0.65	
GBP12,660,000	MassMutual Global Funding II 1.375% 15/12/2026	12,368	1.02	
GBP4,807,000	Mercantile Investment Trust PLC 6.125% 25/02/2030	4,960	0.41	
GBP3,000,000	Metropolitan Life Global Funding I 0.625% 08/12/2027	2,802	0.23	
GBP1,000,000	Metropolitan Life Global Funding I 1.625% 21/09/2029	910	0.08	
GBP5,000,000	Morgan Stanley Var 5.213% 24/10/2035	4,985	0.41	
GBP10,000,000	Morgan Stanley Var 5.789% 18/11/2033	10,504	0.87	
GBP8,000,000	Motability Operations Group PLC 1.5% 20/01/2041	4,567	0.38	
GBP2,500,000	Motability Operations Group PLC 2.125% 18/01/2042	1,531	0.13	
GBP4,000,000	Motability Operations Group PLC 2.375% 03/07/2039	2,750	0.23	
GBP5,000,000	Motability Operations Group PLC 3.625% 10/03/2036	4,298	0.36	
GBP5,000,000	National Australia Bank Ltd. FRN 4.3754% 17/06/2026	5,006	0.41	
GBP9,024,000	National Gas Transmission PLC 1.125% 14/01/2033	6,972	0.58	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	Sterling denominated bonds (continued)			
	Corporate bonds (continued)			
GBP1,100,000	National Gas Transmission PLC 5.5% 04/02/2034	1,119	0.09	
GBP2,000,000	National Gas Transmission PLC 5.75% 05/04/2035	2,047	0.17	
GBP4,000,000	National Grid Electricity Distribution East Midlands PLC 1.75% 09/09/2031	3,398	0.28	
GBP5,000,000	National Grid Electricity Distribution West Midlands PLC 5.75% 16/04/2032	5,214	0.43	
GBP5,000,000	National Grid Electricity Transmission PLC 2% 16/09/2038	3,339	0.28	
GBP5,000,000	National Grid Electricity Transmission PLC 2% 17/04/2040	3,183	0.26	
GBP10,000,000	Nationwide Building Society FRN 4.2182% 24/02/2031	9,942	0.82	
GBP10,000,000	Nationwide Building Society FRN 4.5867% 24/10/2030	10,071	0.83	
GBP5,000,000	Nationwide Building Society Var 5.5% 14/07/2036	5,068	0.42	
GBP1,000,000	Nationwide Building Society Var 6.178% 07/12/2027	1,018	0.08	
GBP6,000,000	NatWest Group PLC Var 2.105% 28/11/2031	5,902	0.49	
GBP3,500,000	NatWest Group PLC Var 7.5% Perpetual	3,623	0.30	
GBP5,000,000	Nestle Capital Corp. 4.75% 22/03/2036	4,888	0.40	
GBP2,500,000	Nestle Finance International Ltd. 5.125% 07/12/2038	2,476	0.20	
GBP3,840,000	New York Life Global Funding 1.25% 17/12/2026	3,751	0.31	
GBP2,500,000	NIE Finance PLC 5.875% 01/12/2032	2,630	0.22	
GBP4,000,000	NIE Finance PLC 6.375% 02/06/2026	4,033	0.33	
GBP4,000,000	Nordea Bank Abp Var 1.625% 09/12/2032	3,808	0.32	
GBP3,000,000	Northern Gas Networks Finance PLC 5.625% 23/03/2040	2,882	0.24	
GBP2,750,000	Northern Powergrid Yorkshire PLC 4.375% 05/07/2032	2,681	0.22	
GBP1,286,000	Northumbrian Water Finance PLC 5.5% 02/10/2037	1,236	0.10	
GBP2,500,000	Northumbrian Water Finance PLC 5.625% 29/04/2033	2,527	0.21	
GBP3,000,000	Northumbrian Water Finance PLC 6.375% 28/10/2034	3,156	0.26	
GBP2,000,000	Notting Hill Genesis 2% 03/06/2036	1,421	0.12	
GBP3,000,000	Notting Hill Genesis 3.75% 20/12/2032	2,747	0.23	
GBP5,000,000	Pearson Funding PLC 3.75% 04/06/2030	4,814	0.40	
GBP2,000,000	Places for People Homes Ltd. 3.625% 22/11/2028	1,944	0.16	
GBP5,000,000	Places For People Treasury PLC 2.5% 26/01/2036	3,736	0.31	
GBP5,000,000	Places For People Treasury PLC 5.75% 11/05/2055	4,511	0.37	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	Sterling denominated bonds (continued)			
	Corporate bonds (continued)			
GBP116,434	Road Management Services A13 PLC Inflation-Linked 3.642% 31/03/2028	280	0.02	
GBP4,000,000	Santander U.K. Group Holdings PLC Var 2.421% 17/01/2029	3,846	0.32	
GBP10,000,000	Santander U.K. PLC 5.25% 16/02/2029	10,324	0.85	
GBP4,000,000	Scotland Gas Networks PLC 4.875% 21/12/2034	3,839	0.32	
GBP2,500,000	Scottish Widows Ltd. 7% 16/06/2043	2,636	0.22	
GBP12,000,000	Severn Trent Utilities Finance PLC 2% 02/06/2040	7,530	0.62	
GBP5,000,000	Severn Trent Utilities Finance PLC 4.625% 30/11/2034	4,769	0.39	
GBP2,500,000	Severn Trent Utilities Finance PLC 5.875% 31/07/2038	2,537	0.21	
GBP2,620,000	Skipton Building Society Var 6.25% 25/04/2029	2,724	0.23	
GBP5,000,000	Snam SpA 5.75% 26/11/2036	5,078	0.42	
GBP1,888,000	Society of Lloyd's Var 4.875% 07/02/2047	1,892	0.16	
GBP3,100,000	South Eastern Power Networks PLC 6.375% 12/11/2031	3,355	0.28	
GBP6,000,000	Southern Gas Networks PLC 3.1% 15/09/2036	4,769	0.39	
GBP3,676,000	SP Transmission PLC 2% 13/11/2031	3,186	0.26	
GBP2,000,000	SSE PLC 6.25% 27/08/2038	2,096	0.17	
GBP10,000,000	Suez SACA 6.625% 05/10/2043	10,448	0.86	
GBP3,000,000	Swedbank AB Var 7.272% 15/11/2032	3,142	0.26	
GBP487,470	Telereal Securitisation PLC 1.3657% 10/12/2033	436	0.04	
GBP159,896	Telereal Securitisation PLC 6.1645% 10/12/2033	164	0.01	
GBP4,280,608	Tesco Property Finance 3 PLC 5.744% 13/04/2040	4,307	0.36	
GBP4,354,425	Tesco Property Finance 4 PLC 5.8006% 13/10/2040	4,400	0.36	
GBP3,597,660	Tesco Property Finance 5 PLC 5.6611% 13/10/2041	3,591	0.30	
GBP5,525,071	Tesco Property Finance 6 PLC 5.4111% 13/07/2044	5,358	0.44	
GBP5,128,000	Toyota Motor Finance Netherlands BV 4.625% 08/06/2026	5,140	0.43	
GBP3,400,000	Trafford Centre Finance Ltd. FRN 4.7537% 28/07/2038	3,242	0.27	
GBP3,250,000	TSB Bank PLC FRN 4.1316% 22/06/2028	3,244	0.27	
GBP5,000,000	UBS Group AG Var 2.25% 09/06/2028	4,855	0.40	
GBP7,500,000	UBS Group AG Var 7.375% 07/09/2033	8,491	0.70	
GBP5,000,000	United Overseas Bank Ltd. FRN 4.3204% 08/06/2029	5,001	0.41	
GBP7,500,000	United Utilities Water Finance PLC 1.75% 10/02/2038	4,895	0.41	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	Sterling denominated bonds (continued)			
	Corporate bonds (continued)			
GBP5,000,000	United Utilities Water Finance PLC 1.875% 03/06/2042	2,872	0.24	
GBP1,500,000	United Utilities Water Finance PLC 5.75% 26/06/2036	1,510	0.13	
GBP2,000,000	United Utilities Water Ltd. 5% 28/02/2035	1,938	0.16	
GBP1,500,000	United Utilities Water Ltd. Inflation-Linked 1.9799% 05/10/2035	2,878	0.24	
GBP5,000,000	Verizon Communications, Inc. 1.875% 03/11/2038	3,286	0.27	
GBP4,000,000	Verizon Communications, Inc. 3.375% 27/10/2036	3,315	0.27	
GBP5,858,000	Verizon Communications, Inc. 4.75% 17/02/2034	5,691	0.47	
GBP4,500,000	Vodafone Group PLC 6.375% 03/07/2050	4,587	0.38	
GBP250,000	Washington Mutual, Inc. 5.5% 10/06/2059[a]	0	0.00	
GBP15,000,000	Wellcome Trust Finance PLC 4.625% 25/07/2036	14,629	1.21	
GBP2,000,000	Wells Fargo & Co. 2.125% 24/09/2031	1,751	0.15	
GBP8,000,000	Wells Fargo & Co. 4.875% 29/11/2035	7,616	0.63	
GBP4,000,000	Wessex Water Services Finance PLC 6.125% 19/09/2034	4,103	0.34	
GBP4,000,000	Westfield America Management Ltd. 2.625% 30/03/2029	3,758	0.31	
GBP5,000,000	Westpac Banking Corp. FRN 4.6895% 11/01/2028	5,026	0.42	
GBP6,000,000	Whitbread Group PLC 3% 31/05/2031	5,392	0.45	
GBP3,000,000	WPP Finance 2017 3.75% 19/05/2032	2,771	0.23	
GBP2,426,000	Yorkshire Power Finance Ltd. 7.25% 04/08/2028	2,572	0.21	
GBP16,000,000	Yorkshire Water Finance PLC 2.75% 18/04/2041	10,402	0.86	
GBP924,000	Yorkshire Water Finance PLC Inflation-Linked 2.718% 30/12/2039	1,534	0.13	
GBP8,000,000	Zurich Finance Ireland Designated Activity Co. Var 5.125% 23/11/2052	7,955	0.66	
	Government bonds	**162,068**	**13.41**	**11.74**
GBP10,000,000	SNCF Reseau 5.25% 31/01/2035	10,162	0.84	
GBP12,500,000	U.K. Gilts 0.625% 22/10/2050	4,618	0.38	
GBP35,000,000	U.K. Gilts 1.5% 31/07/2053	16,113	1.33	
GBP25,000,000	U.K. Gilts 4.25% 07/12/2046	22,196	1.84	
GBP10,000,000	U.K. Gilts 4.375% 07/03/2028	10,130	0.84	
GBP20,000,000	U.K. Gilts 4.375% 31/01/2040	18,985	1.57	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	Sterling denominated bonds (continued)			
	Government bonds (continued)			
GBP25,000,000	U.K. Gilts 4.5% 07/03/2035	25,052	2.07	
GBP40,000,000	U.K. Gilts 4.75% 22/10/2043	38,480	3.19	
GBP15,000,000	U.K. Inflation-Linked Gilts 0.125% 22/03/2039	16,332	1.35	
	Mortgage backed securities	**10,922**	**0.90**	**0.88**
GBP2,213,970	Mitchells & Butlers Finance PLC FRN 4.5003% 15/12/2033	2,114	0.17	
GBP8,796,000	Permanent Master Issuer PLC FRN 4.494% 15/07/2073	8,808	0.73	
	US dollar denominated bonds	**39,273**	**3.25**	**1.53**
	Corporate bonds	**39,273**	**3.25**	**1.21**
USD7,500,000	Amazon.com, Inc. 5.45% 20/11/2055	5,477	0.45	
USD7,500,000	Amazon.com, Inc. 5.55% 20/11/2065	5,445	0.45	
USD1,400,000	Banco Santander SA Var 3.225% 22/11/2032	954	0.08	
USD1,500,000	DNB Bank ASA Var 7.375% Perpetual	1,169	0.10	
USD4,000,000	Enel Finance International NV 6.8% 15/09/2037	3,344	0.28	
USD5,000,000	Meta Platforms, Inc. 5.5% 15/11/2045	3,629	0.30	
USD5,000,000	Meta Platforms, Inc. 5.625% 15/11/2055	3,591	0.30	
USD7,000,000	Meta Platforms, Inc. 5.75% 15/11/2065	5,003	0.41	
USD2,500,000	Microsoft Corp. 2.525% 01/06/2050	1,144	0.09	
USD1,500,000	National Australia Bank Ltd. Var 3.347% 12/01/2037	1,020	0.08	
USD340,000	Oracle Corp. 3.6% 01/04/2040	188	0.02	
USD6,000,000	Oracle Corp. 3.85% 01/04/2060	2,737	0.23	
USD5,000,000	Tesco PLC 6.15% 15/11/2037	3,889	0.32	
USD2,500,000	WPP Finance 2010 5.625% 15/11/2043	1,683	0.14	
	Government bonds	**0**	**0.00**	**0.32**
	Derivatives	**1,193**	**0.10**	**0.16**
	Forwards	**538**	**0.05**	**0.00**
	Bought USD583,837 for GBP436,280 Settlement 14/01/2026	(3)	0.00	
	Sold EUR54,278,552 for GBP47,542,025 Settlement 14/01/2026	133	0.01	
	Sold USD55,495,618 for GBP41,652,078 Settlement 14/01/2026	408	0.04	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Derivatives (continued)			
	Futures	**655**	**0.05**	**0.00**
(331)	Eurex 10 Year Euro BUND Futures Mar 2026	286	0.02	
(230)	Ultra 10 Year U.S. Treasury Notes Futures Mar 2026	94	0.01	
(148)	Ultra U.S. Treasury Bond Futures Mar 2026	275	0.02	
	Interest rate swaps	**0**	**0.00**	**0.16**
Total portfolio		**1,153,939**	**95.45**	**93.41**
Net other assets/(liabilities)		**54,978**	**4.55**	**6.59**
Net assets attributable to shareholders		**1,208,917**	**100.00**	**100.00**

[a] Defaulted bond.

M&G Corporate Bond Fund

Portfolio statement

Top ten portfolio transactions for the six months to 31 December 2025

Largest purchases	£'000
U.K. Gilts 4.375% 31/01/2040	45,990
U.K. Gilts 4.5% 07/03/2035	24,973
U.K. Gilts 4.25% 07/12/2046	20,442
U.K. Inflation-Linked Gilts 0.125% 22/03/2039	16,201
U.K. Gilts 1.75% 22/07/2057	13,572
U.K. Gilts 0.625% 22/10/2050	12,554
U.K. Gilts 4.375% 07/03/2028	10,131
Aegon Ltd. 6.625% 16/12/2039	7,995
U.K. Gilts 4% 22/01/2060	7,746
Enel Finance International NV 5.75% 14/09/2040	6,686
Other purchases	170,432
Total purchases	**336,722**

Largest sales	£'000
U.K. Gilts 4% 22/01/2060	38,170
U.K. Gilts 4.375% 31/01/2040	28,298
U.K. Gilts 4.375% 31/07/2054	25,301
U.K. Gilts 4.25% 07/12/2046	15,243
Apple, Inc. 3.05% 31/07/2029	13,158
U.K. Gilts 1.75% 22/07/2057	12,827
New York Life Global Funding 0.75% 14/12/2028	12,599
Engie SA 5% 01/10/2060	11,345
BAT International Finance PLC 4.125% 12/04/2032	11,213
U.K. Gilts 0.625% 22/10/2050	8,158
Other sales	177,673
Total sales	**353,985**

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

To give an indication of the performance of the fund, the following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested and shown as net of operating charge. Please refer to '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	+3.1	+5.9	-0.4	+2.3
Class 'A' Accumulation	+3.0	+5.9	-0.4	+2.3
Class 'I' Income	+3.2	+6.3	+0.0	+2.8
Class 'I' Accumulation	+3.2	+6.3	+0.0	+2.8
Class 'M' Income	+3.3	n/a	n/a	n/a
Class 'M' Accumulation	+3.4	n/a	n/a	n/a
Class 'PP' Income	+3.3	+6.4	+0.1	n/a
Class 'PP' Accumulation	+3.3	+6.4	+0.1	n/a
Class 'R' Income	+3.1	+6.1	-0.2	+2.5
Class 'R' Accumulation	+3.1	+6.0	-0.2	+2.5
Benchmark	**+3.6**	**+6.4**	**-0.2**	**+2.8**

[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 15 April 1994.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	244,089	253,619	274,841
Number of shares	722,629,274	755,021,130	815,277,946
Closing NAV per share (UK p)	33.78	33.59	33.71
Operating charges (%)	0.83	0.83	0.83

Sterling Class 'A' Accumulation shares

The share class was launched on 15 April 1994.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	136,101	141,376	151,013
Number of shares	173,843,755	186,128,991	207,887,984
Closing NAV per share (UK p)	78.29	75.96	72.64
Operating charges (%)	0.83	0.83	0.83

Sterling Class 'I' Income shares

The share class was launched on 2 July 2007.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	264,379	281,750	293,334
Number of shares	749,593,415	804,921,493	838,398,997
Closing NAV per share (UK p)	35.27	35.00	34.99
Operating charges (%)	0.43	0.43	0.43

Sterling Class 'I' Accumulation shares

The share class was launched on 2 July 2007.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	310,771	330,258	380,470
Number of shares	367,028,930	402,844,074	487,179,085
Closing NAV per share (UK p)	84.67	81.98	78.10
Operating charges (%)	0.43	0.43	0.43

Sterling Class 'M' Income shares

The share class was launched on 24 September 2024.

	31.12.25	30.06.25
Closing NAV (£'000)	10	10
Number of shares	10,005	10,005
Closing NAV per share (UK p)	99.38	98.53
Operating charges (%)	0.23	0.23

Sterling Class 'M' Accumulation shares

The share class was launched on 24 September 2024.

	31.12.25	30.06.25
Closing NAV (£'000)	11	10
Number of shares	10,000	10,000
Closing NAV per share (UK p)	105.72	102.25
Operating charges (%)	0.23	0.23

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	146,543	151,562	152,322
Number of shares	173,215,607	180,602,281	181,779,215
Closing NAV per share (UK p)	84.60	83.92	83.80
Operating charges (%)	0.33	0.33	0.33

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	86,216	61,509	9,199
Number of shares	75,540,672	55,662,000	8,753,190
Closing NAV per share (UK p)	114.13	110.51	105.10
Operating charges (%)	0.33	0.33	0.33

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	7,572	7,936	8,688
Number of shares	8,227,143	8,676,585	9,479,841
Closing NAV per share (UK p)	92.04	91.46	91.65
Operating charges (%)	0.68	0.68	0.68

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	13,225	13,825	14,189
Number of shares	9,004,336	9,709,111	10,434,895
Closing NAV per share (UK p)	146.88	142.39	135.97
Operating charges (%)	0.68	0.68	0.68

Financial statements and notes

Financial statements

Statement of total return

for the six months to 31 December	2025		2024	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		11,479		(6,085)
Revenue	30,358		30,915	
Expenses	(3,345)		(3,645)	
Interest payable and similar charges	0		(1)	
Net revenue/(expense) before taxation	27,013		27,269	
Taxation	0		0	
Net revenue/(expense) after taxation		27,013		27,269
Total return before distributions		**38,492**		**21,184**
Distributions		(28,918)		(29,363)
Change in net assets attributable to shareholders from investment activities		**9,574**		**(8,179)**

Statement of change in net assets attributable to shareholders

for the six months to 31 December	2025		2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		**1,241,855**		**1,284,056**
Amounts received on issue of shares	42,212		39,095	
Amounts paid on cancellation of shares	(96,713)		(63,478)	
		(54,501)		(24,383)
Dilution adjustments		0		32
Change in net assets attributable to shareholders from investment activities (see above)		9,574		(8,179)
Retained distributions on Accumulation shares		11,978		11,774
Unclaimed distributions		11		12
Closing net assets attributable to shareholders		**1,208,917**		**1,263,312**

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	31 December 2025 £'000	30 June 2025 £'000
Assets		
Fixed assets		
Investments	1,153,942	1,160,336
Current assets		
Debtors	17,921	48,315
Cash and bank balances	17,372	27,589
Cash equivalents	29,433	25,498
Total assets	**1,218,668**	**1,261,738**
Liabilities		
Investment liabilities	(3)	(290)
Creditors		
Overdrawn positions at futures clearing houses and collateral manager	0	(1,904)
Distribution payable	(8,239)	(8,549)
Other creditors	(1,509)	(9,140)
Total liabilities	**(9,751)**	**(19,883)**
Net assets attributable to shareholders	**1,208,917**	**1,241,855**

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.

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For the purposes of these financial statements, the Prospectus dated 28 April 2025 has been used.

Investment objective

The fund has three aims:

- To provide an annual yield higher than that of the FTSE All-Share Index;
- To provide an income stream that increases every year;
- To provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the FTSE All-Share Index over any five-year period.

Investment policy

At least 70% of the fund is invested in equity securities and equity-related securities of companies across any sector and market capitalisation, that are incorporated, domiciled, listed or do most of their business in the United Kingdom.

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

Derivatives may be used for efficient portfolio management and hedging.

Investment approach

The fund employs a disciplined approach to investment which concentrates on the analysis and selection of individual companies. The fund typically invests in a well-diversified portfolio of high yielding UK stocks. The yield premium attached to the fund generally means that there is a bias towards good value, out of favour stocks (ie those stocks which the fund manager considered to be undervalued by the market). The emphasis on yield helps to identify stocks that are relatively cheap and to avoid those that are expensive. From the universe of high yielding stocks, the fund manager identifies companies that are competitive, with a strong business franchise and that have attractive dividend growth prospects.

Benchmark

FTSE All-Share 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.

Low risk — High risk

Typically lower rewards — Typically higher rewards

1	2	3	4	**5**	6	7

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.

Authorised Corporate Director's Report

- is not guaranteed and may change over time and the lowest risk number does not mean risk free.
- has changed during this period. From 1 July 2025 to 27 July 2025 the risk number was 6.

Investment review

For the six months ended 31 December 2025

Performance against objective

The fund has an objective of growing its income each financial year. Over the six-month review period the fund distributed income of 0.77p per Sterling Class 'A' Income share, in line with the payment made in the same period a year earlier. On 31 December 2025, the fund's Sterling Class 'A' Income shares yielded 5.46%. That was above the benchmark FTSE All-Share Index yield of 3.16%, meeting the fund's objective to exceed the index yield.

On a five-year basis, the fund delivered positive total returns (the combination of capital growth and income) across all its share classes, however it marginally lagged the benchmark FTSE All-Share Index's total return of 11.7% per annum, thereby missing its objective of outperforming the 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 UK equity market entered the second half of 2025 riding a wave of cautious optimism, a growing conviction that the worst of the inflation-shock had passed, and that policy tailwinds might finally align for domestic investors. With headline inflation gradually cooling and policy momentum shifting, the outlook for the equity market gained fresh traction.

Towards the end of the year we had the Chancellor's Budget, which set out an ambition to restore a sense of fiscal discipline and market confidence. The introduction of a restructured Individual Savings Account (ISA), with £8,000 of the annual allowance directed specifically toward investment, is a meaningful signal. It points towards a more vibrant equity culture, one in which household savings are channelled into productive UK assets. That is something we have long believed is essential if the domestic market is to thrive and, ultimately, sustain a healthy pipeline of future UK-listed businesses.

In our view, the Budget moved the UK in the right direction on fiscal credibility, but it sent mixed and sometimes conflicting messages to investors. The task now is to build a policy framework that genuinely rewards risk-taking, supports innovation and encourages long-term capital, areas where the UK has all the raw ingredients, but where consistency and clarity will be vital if the ambitions of this government are to translate into durable economic and market strength.

Over the six month period under review, the majority of the fund's performance was driven by security selection within consumer staples and technology. Within consumer staples, our above benchmark (overweight) positions in British American Tobacco and Imperial Brands supported relative performance, similarly not holding Diageo helped relative performance as discretionary spend on premium spirits continued to weigh on the equity story. Our lack of exposure to larger names in the index such as Relx and 3i and our below benchmark position (underweight) to London Stock Exchange Group (LSEG) were also a tailwind. This was driven by a reversal in some of the more momentum-driven higher rated areas of the market. Aerospace and defence, typically a lower-yielding sector, gave back some of its recent strength, which has benefited the funds' relative positioning.

At the individual stock level, one of our top contributors was our overweight holding in British American Tobacco (BAT). BAT continues to engage in significant share buybacks and has plans to buy back a significant portion of its equity in financial year 2026. This combined with a 5.5%-6% yield continues to provide an attractive opportunity for the fund, in our view. Rio Tinto was another strong contributor to relative performance, with its share price rising around 44% in the six months to the end of December. This outperformance was

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driven by a rebound in key commodity prices, particularly iron ore, alongside continued strong cash generation and disciplined capital returns to shareholders.

Overall, the fund's performance was driven by a combination of owning the 'right' companies and having the portfolio positioned differently from the wider UK market. Strong stock selection in dividend names meant we benefited from holdings that performed well, while our higher exposure to certain areas of the market added further value. At the same time, our underweights to some of the larger, more heavily weighted stocks in the index that lagged also helped relative returns.

Investment activities

In terms of portfolio activity, we initiated several new positions where we found yields particularly compelling. Specifically, we initiated positions in Bytes Technology, following a disappointing AGM trading update and consequently a rise in the dividend yield. The slowdown was due to a temporary sales reorganisation and a reset in Microsoft commission structures, both expected to normalise over time. While communication around these issues has dented market confidence, we see this as a short-term dislocation. The pullback has given us an attractive entry point into a high-quality, cash-generative business and provides the fund with exposure to the UK tech sector, which we typically have had limited opportunities to own on yield and valuation grounds. We also initiated a position in Tate & Lyle, a speciality food and beverage solutions business benefiting from structural growth in healthier-nutrition ingredients. The combination of an attractive and sustainable dividend yield coupled with recent share price pullback provides scope for both income and capital upside, in our view. Other names that the fund bought over the review period included oil & gas producer, Harbour Energy, the UK's largest independent oil and gas producer. The company offers attractive exposure to energy markets through a robust production base and disciplined capital allocation.

Ongoing share buybacks, a strong balance sheet, and an appealing dividend yield underpin the investment case. With valuation support we see scope for capital upside from here. We exited positions in Informa, Anglo American, STV among others to recycle capital into more attractive opportunities for the fund.

Outlook

We remain focused on achieving our income growth objective and take comfort in the underlying income growth delivered by the fund's holdings over the six month period to end of December 2025.

We believe the outlook for the UK remains positive. Importantly, the UK has delivered very competitive returns versus global peers this year, driven by a different set of catalysts than the AI-led rally dominating global markets. UK performance has been underpinned by diversified sector leadership, balance-sheet strength and continued corporate activity, rather than reliance on a narrow group of mega-cap technology stocks. This positions the UK as a valuable diversifier within global equity portfolios.

Income remains a central part of the UK's appeal. The UK continues to offer some of the highest dividend yields among major equity markets, with many large multinational companies operating in sectors supported by stabilising interest rates and resilient global demand. These dynamics provide investors with attractive, sustainable income streams.

Today, investors can access a range of UK companies that are not only delivering steady earnings and dividend growth but are also buying back their own shares at valuations that remain well below those of global peers. For long-term investors, this combination of operational progress and attractive pricing creates a rare opportunity: to own well-run businesses and allow the market, in time, to reflect their true value. As confidence begins to rebuild, we see meaningful scope for a re-evaluation of UK equities. Should sentiment continue to improve as we expect, there is

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considerable room for the market to re-rate. All of this leaves us encouraged about the opportunities ahead for the M&G Dividend Fund.

Michael Stiasny
Fund manager

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

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

Portfolio statement

Investments

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Equities	**841,204**	**99.82**	**102.07**
	Banks	**127,514**	**15.13**	**13.79**
5,777,000	HSBC Holdings PLC	67,637	8.02	
35,587,000	Lloyds Banking Group PLC	34,939	4.15	
3,833,000	NatWest Group PLC	24,938	2.96	
	Basic resources	**48,788**	**5.79**	**6.76**
1,750,600	Central Asia Metals PLC[a]	3,309	0.39	
116,200	International Paper Co.	3,410	0.41	
2,213,665	Kenmare Resources PLC	5,479	0.65	
554,000	Rio Tinto PLC	33,157	3.93	
158,000	UPM-Kymmene OYJ	3,433	0.41	
	Chemicals	**5,715**	**0.68**	**0.89**
869,800	Victrex PLC	5,715	0.68	
	Construction and materials	**8,736**	**1.04**	**1.42**
2,775,000	Kier Group PLC	6,160	0.73	
799,000	Marshalls PLC	1,440	0.17	
4,028,626	Severfield PLC	1,136	0.14	
	Consumer products and services	**10,626**	**1.26**	**1.32**
9,880,000	Taylor Wimpey PLC	10,626	1.26	
	Energy	**82,035**	**9.73**	**9.54**
6,658,000	BP PLC	28,749	3.41	
718,334	Diversified Energy Co.(GBP)	7,650	0.90	
101,818	Diversified Energy Co.(US)	1,092	0.13	
1,145,000	Harbour Energy PLC	2,259	0.27	
1,431,600	Shell PLC	39,176	4.65	
1,275,000	Var Energi ASA	3,109	0.37	
	Financial services	**67,728**	**8.04**	**8.09**
6,038,700	Aberdeen Group PLC	12,380	1.47	
4,580,800	Ashmore Group PLC	8,053	0.96	
18,952,700	Duke Capital Ltd.[a]	5,023	0.60	
1,835,000	Hicl Infrastructure PLC	2,132	0.25	
164,000	ICG PLC	3,352	0.40	
722,000	IG Group Holdings PLC	9,516	1.13	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Equities (continued)			
	Financial services (continued)			
1,352,394	Impax Asset Management Group PLC[a]	2,023	0.24	
17,000	London Stock Exchange Group PLC	1,522	0.18	
1,645,000	OSB Group PLC	10,569	1.25	
957,000	Pollen Street Group Ltd.	9,015	1.07	
2,116,935	Premier Miton Group PLC[a]	1,122	0.13	
5,820,434	Sdcl Efficiency Income Trust PLC	3,021	0.36	
	Food, beverage and tobacco	**97,643**	**11.59**	**11.48**
1,270,000	British American Tobacco PLC	53,416	6.34	
1,310,000	Imperial Brands PLC	41,003	4.87	
30,640	Magnum Ice Cream Co. NV	361	0.04	
765,000	Tate & Lyle PLC	2,863	0.34	
	Health care	**74,487**	**8.84**	**7.81**
321,000	AstraZeneca PLC	44,054	5.23	
1,668,000	GSK PLC	30,433	3.61	
	Industrial goods and services	**34,430**	**4.08**	**3.89**
248,000	BAE Systems PLC	4,241	0.50	
8,962,000	Pacific Basin Shipping Ltd.	1,986	0.23	
1,328,402	Pagegroup PLC	3,119	0.37	
1,297,000	QinetiQ Group PLC	5,712	0.68	
1,179,100	RWS Holdings PLC[a]	1,016	0.12	
6,791,100	Smiths News PLC	5,121	0.61	
8,494,700	Taylor Maritime Ltd.	5,391	0.64	
1,981,692	Vesuvius PLC	7,844	0.93	
	Insurance	**100,810**	**11.96**	**11.70**
160,000	Admiral Group PLC	5,085	0.60	
2,495,000	Aviva PLC	17,066	2.02	
5,100,000	Chesnara PLC	15,249	1.81	
1,605,000	Conduit Holdings Ltd.	6,284	0.75	
1,244,000	Lancashire Holdings Ltd.	7,974	0.95	
6,747,000	Legal & General Group PLC	17,630	2.09	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Equities (continued)			
	Insurance (continued)			
3,454,000	Phoenix Group Holdings PLC	25,300	3.00	
4,750,000	Sabre Insurance Group PLC	6,222	0.74	
	Media	**20,207**	**2.40**	**3.49**
13,258,000	ITV PLC	10,911	1.30	
10,774,262	Reach PLC	5,894	0.70	
1,012,400	WPP PLC	3,402	0.40	
	Personal care, drug and grocery stores	**18,773**	**2.23**	**2.57**
176,000	Reckitt Benckiser Group PLC	10,574	1.25	
356,000	Tesco PLC	1,577	0.19	
136,177	Unilever PLC	6,622	0.79	
	Real estate	**30,847**	**3.66**	**3.71**
1,770,500	British Land Co. PLC	7,096	0.84	
23,908,576	Grit Real Estate Income Group Ltd.	1,434	0.17	
4,638,260	Home REIT PLC[b]	580	0.07	
1,005,000	Land Securities Group PLC	6,256	0.74	
8,352,951	NewRiver REIT PLC	5,764	0.68	
6,688,516	Primary Health Properties PLC	6,545	0.78	
609,808	Regional REIT Ltd.	612	0.07	
276,700	Segro PLC	1,988	0.24	
1,938,500	Watkin Jones PLC[a]	572	0.07	
	Retail	**14,084**	**1.67**	**2.11**
1,358,000	B&M European Value Retail SA	2,302	0.27	
1,682,235	Card Factory PLC	1,136	0.13	
544,000	Dunelm Group PLC	6,125	0.73	
1,932,000	Wickes Group PLC	4,521	0.54	
	Technology	**10,319**	**1.22**	**0.85**
1,420,000	Bytes Technology Group PLC	5,103	0.60	
2,834,600	MONY Group PLC	5,216	0.62	
	Telecommunications	**15,417**	**1.83**	**2.78**
7,400,000	BT Group PLC	13,635	1.62	
3,211,000	Netlink NBN Trust	1,782	0.21	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Equities (continued)			
	Travel and leisure	**10,877**	**1.29**	**1.70**
1,208,000	Entain PLC	9,289	1.10	
580,572	Hollywood Bowl Group PLC	1,588	0.19	
	Utilities	**62,168**	**7.38**	**8.17**
973,000	Drax Group PLC	8,139	0.97	
328,000	Engie SA	6,403	0.76	
2,342,000	National Grid PLC	26,828	3.18	
2,705,366	Pennon Group PLC	14,325	1.70	
296,000	SSE PLC	6,473	0.77	
Total portfolio		**841,204**	**99.82**	**102.07**
Net other assets/(liabilities)		**1,552**	**0.18**	**(2.07)**
Net assets attributable to shareholders		**842,756**	**100.00**	**100.00**

All securities are on an official stock exchange listing except where referenced.
[a] AIM quoted.
[b] Suspended/delisted.

Portfolio statement

Top ten portfolio transactions for the six months to 31 December 2025

Largest purchases	£'000
Bytes Technology Group PLC	5,995
Primary Health Properties PLC	3,397
Legal & General Group PLC	3,297
Imperial Brands PLC	3,235
Chesnara PLC	2,964
Tate & Lyle PLC	2,877
Taylor Wimpey PLC	2,855
Harbour Energy PLC	2,525
Admiral Group PLC	2,072
Hicl Infrastructure PLC	2,025
Other purchases	18,508
Total purchases	**49,750**

Largest sales	£'000
British American Tobacco PLC	8,426
BT Group PLC	5,249
Aviva PLC	5,201
Lloyds Banking Group PLC	4,495
Engie SA	3,728
HSBC Holdings PLC	3,706
Imperial Brands PLC	3,602
AstraZeneca PLC	2,839
Informa PLC	2,643
IG Group Holdings PLC	2,577
Other sales	41,008
Total sales	**83,474**

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

To give an indication of the performance of the fund, the following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested and shown as net of operating charge. Please refer to '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	+13.6	+11.9	+10.7	+5.8
Class 'A' Accumulation	+13.6	+11.9	+10.7	+5.8
Class 'C' Income	+14.2	+13.1	+11.9	+7.1
Class 'I' Income	+13.8	+12.4	+11.2	+6.4
Class 'I' Accumulation	+13.8	+12.4	+11.2	+6.4
Class 'R' Income	+13.7	+12.1	+10.9	+6.1
Class 'R' Accumulation	+13.7	+12.1	+10.9	+6.1
Benchmark	**+13.7**	**+13.6**	**+11.7**	**+8.4**

[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 6 May 1964.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	202,800	186,681	184,845
Number of shares	327,575,578	338,167,484	357,520,960
Closing NAV per share (UK p)	61.91	55.20	51.70
Operating charges (%)	1.10	1.10	1.17

Sterling Class 'A' Accumulation shares

The share class was launched on 6 May 1964.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	73,132	65,725	64,329
Number of shares	6,810,972	6,953,856	7,732,610
Closing NAV per share (UK p)	1,073.74	945.17	831.92
Operating charges (%)	1.10	1.10	1.17

Sterling Class 'C' Income shares

Sterling Class 'C' shares are not generally available to all investors.

The share class was launched on 3 January 2006.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	386,241	359,636	390,085
Number of shares	468,714,468	492,180,112	576,437,520
Closing NAV per share (UK p)	82.40	73.07	67.67
Operating charges (%)	0.00	0.00	0.07

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	97,457	86,466	81,161
Number of shares	7,593,130	7,570,381	7,618,210
Closing NAV per share (UK p)	1,283.49	1,142.15	1,065.35
Operating charges (%)	0.70	0.70	0.77

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	44,983	37,080	34,797
Number of shares	1,783,616	1,673,597	1,791,567
Closing NAV per share (UK p)	2,522.01	2,215.56	1,942.26
Operating charges (%)	0.70	0.70	0.77

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	16,934	15,608	14,923
Number of shares	13,648,552	14,119,055	14,435,611
Closing NAV per share (UK p)	124.07	110.55	103.37
Operating charges (%)	0.95	0.95	1.02

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	21,209	20,334	19,578
Number of shares	8,698,269	9,481,039	10,387,819
Closing NAV per share (UK p)	243.83	214.47	188.47
Operating charges (%)	0.95	0.95	1.02

Financial statements and notes

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Statement of total return

for the six months to 31 December	2025		2024	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		87,450		(864)
Revenue	20,395		22,150	
Expenses	(2,108)		(1,971)	
Interest payable and similar charges	(8)		(9)	
Net revenue/(expense) before taxation	18,279		20,170	
Taxation	(69)		0	
Net revenue/(expense) after taxation		18,210		20,170
Total return before distributions		**105,660**		**19,306**
Distributions		(10,478)		(11,567)
Change in net assets attributable to shareholders from investment activities		**95,182**		**7,739**

Statement of change in net assets attributable to shareholders

for the six months to 31 December	2025		2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		**771,530**		**789,718**
Amounts received on issue of shares	18,284		21,457	
Amounts paid on cancellation of shares	(43,785)		(60,050)	
		(25,501)		(38,593)
Dilution adjustments		22		72
Change in net assets attributable to shareholders from investment activities (see above)		95,182		7,739
Retained distributions on Accumulation shares		1,407		1,420
Unclaimed distributions		116		117
Closing net assets attributable to shareholders		**842,756**		**760,473**

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

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Balance sheet

as at	31 December 2025 £'000	30 June 2025 £'000
Assets		
Fixed assets		
Investments	841,204	787,525
Current assets		
Debtors	3,247	4,552
Cash and bank balances	1,916	1,265
Cash equivalents	1,222	918
Total assets	**847,589**	**794,260**
Liabilities		
Creditors		
Distribution payable	(4,362)	(19,430)
Other creditors	(471)	(3,300)
Total liabilities	**(4,833)**	**(22,730)**
Net assets attributable to shareholders	**842,756**	**771,530**

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 28 April 2025 has been used.

Investment objective

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

* The composite index is made up of one third JPM EMBI Global Diversified Index, one third JPM CEMBI Broad Diversified Index and one third JPM GBI-EM Global Diversified Index.

Investment policy

At least 80% of the fund is invested, directly or indirectly through derivatives, in emerging market debt securities. These securities can be issued or guaranteed by emerging market governments and their agencies, public authorities, quasi-sovereigns, supranational bodies and companies that are incorporated, domiciled, listed or do most of their business in emerging markets. These securities can be denominated in any currency, including emerging market currencies.

Other investments may include:

- asset-backed securities; and
- other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

There are no credit quality restrictions applicable to the fund's investments.

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

Investment approach

The fund is globally diversified across a range of emerging market debt securities and issuers from a variety of sectors and geographies. The fund's investment approach is flexible and begins with an assessment of macroeconomic factors such as global risk appetite and the catalysts of global economic growth.

On a regional and country-specific level, factors such as monetary and fiscal policies, capital flows, and political and regulatory environments are assessed. The result of this analysis will help inform the country, currency allocations and duration of the portfolio.

Individual credit selection is carried out with the assistance of an in-house team of credit analysts to complement the fund manager's views.

Benchmark

A composite index comprising:

- 1/3 JPM EMBI Global Diversified Index
- 1/3 JPM CEMBI Broad Diversified Index
- 1/3 JPM GBI-EM Global Diversified Index

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

The fund is actively managed.

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

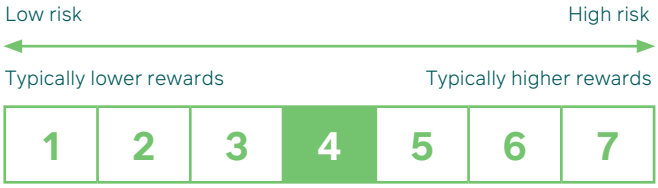
For each share class the benchmark will be denominated or hedged into the relevant share class currency. The benchmark for each share class will be shown in its respective KIID.

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 31 December 2025

Performance against objective

Between 1 July 2025 and 31 December 2025, the fund delivered a positive total return (the combination of income and growth of capital) across all of its share classes. The fund's unhedged shares outperformed its benchmark, which returned 8.3% over the same period, while the hedged share classes underperformed.

The fund's benchmark is a composite index consisting of 1/3 JPM Emerging Markets Bond (EMBI) Global Diversified Index, 1/3 JPM Corporate EMBI (CEMBI) Broad Diversified Index, and 1/3 JPM GBI-EM Global Diversified Index.

Over five years, the fund achieved its objective of providing a combination of capital growth and income, net of the ongoing charge figure, higher than the benchmark composite index over any five-year period, across all of its share classes. The return of the benchmark composite index was 2.2% pa over this 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

Emerging market (EM) debt posted positive returns during the period under review, benefiting from a weakening US dollar. The top-performing segment of the emerging market debt during this period was hard currency sovereign debt, which was up 8.2% during the period, ahead of local currency sovereign debt (+6.2%) and hard currency corporate debt (+4.5%).

US tariffs and the US Federal Reserve's (Fed) decisions remained the main focus for EM during the period under review. US tariffs had a minimal impact on EM due to the limited direct effects of tariff announcements and a stable economic backdrop. The Fed cut its benchmark interest rate in September, a move that was widely anticipated. Its dovish stance – meaning an inclination towards cutting interest rates – increased the attractiveness of emerging markets debt further. Emerging markets debt, which pays higher interest rates than developed markets debt because it is considered riskier, typically benefits when interest rates in developed markets go down as it potentially attracts investors who are hunting for higher rates. The Fed further lowered interest rates twice in the fourth quarter, bringing them within a range of 3.50% to 3.75%, the lowest in three years. However, Fed Chair Jerome Powell struck a cautious tone, noting that the Fed is facing a 'very challenging situation', as it attempts to tackle both rising inflation and rising unemployment. The US dollar ended December weaker, extending the broader trend of softness seen throughout 2025 and marking the dollar's weakest annual performance since 2017.

Against this backdrop, the fund delivered a positive return and was ahead of its benchmark. The biggest driver of performance came from country allocation, though this was slightly offset by a detraction from our

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security selection. The fund's above-benchmark (overweight) positioning in Venezuela, Cote d'Ivoire, Romania and Turkey aided relative performance, as did our security selection in Uzbekistan and Kazakhstan. However, our below-benchmark positions (underweights) to Panama and Indonesia detracted from relative performance, along with our overweight to Argentina.

Investment activities

In sovereign bonds, during the initial three months of the period, we participated in euro-denominated new issues from Romania, Bosnia, Turkey, Colombia and Bulgaria and USD bonds of Chile. We extended duration in euro-denominated Romanian sovereign bonds, added exposure to Poland and bought some Riyadh Sukuk (Islamic bonds). We reduced our exposure to Colombia to fund the purchase of a bond from Colombia's quasi-sovereign petroleum company Ecopetrol. We also bought bonds issued by supra-nationals Inter-American Development Bank (IABD) and the International Bank for Reconstruction and Development (IBRD, the Word Bank's biggest development bank), and reduced our exposure to New Development Bank, formerly known as the BRICS Development Bank. In the last three months of the quarter, we topped up bonds issued by Suriname, Kenya, Romania, Saudi Arabia and Bulgaria. We initiated a new off-benchmark position in Lithuania and switched from Mozambique to Gabon on valuation grounds. We bought new issues from Jordan and South Africa. We reduced Angola, Benin and Ghana and switched out of several USD-denominated bonds into EUR-denominated bonds for Colombia.

In local currency bonds, we managed flows to top up Egypt, Colombia, Brazil, Mexico and Ukraine. We reduced our underweight in Thailand and made a relative value switch in Poland.

In corporate debt, during the initial three months of the period, we participated in new issues from energy infrastructure business EnfraGen (sold later in the period), Jamaican tourist airport Montego Bay, mining group Antofagasta, development fund Turkiye Varlik (sold later in the period) and Bank Polska Kasa. We reduced exposure to Saudi Arabian bank Al Rajhi and sold Chinese food delivery platform Meituan and Brazil's Banco Votorantim on deteriorating credit fundamentals. In the last three months, we bought several banks including Peru's biggest bank Banco de Credito, National Bank of Oman, mBank (Poland), Banca Transilvania (Romania) and topped up Bank Polska Kasa Opieki. We also bought a new issue from City of Buenos Aires (Ciudad Autonoma De Buenos Aires) and added Empresa de Transmision, energy transmission services provider in Panama. We reduced our positions in Malaysian energy infrastructure company Yinson Boronia, Kazakhstan's ForteBank, Brazilian telecoms giant Globo Comunicacao, Magellan Capital Holdings and Ambipar.

Outlook

Emerging market debt enters 2026 with valuations that require selectivity, particularly in the investment grade space where credit spreads, which indicate investors' appetite for risk, continue to tighten, limiting the potential for further compression. (Corporate bond prices rise when credit spreads narrow, as they potentially become attractive to more investors because they are perceived as less risky than when credit spreads widen).

We believe that opportunities persist in issuer-specific stories and high yield (riskier) debt, albeit with a higher bar for fundamental factors. We think that local currency bonds stand to benefit from a softer US dollar – a major theme in 2025, with the dollar having its worst year since 2015. However, this should not be considered the only potential source of return. Carry – the income element of bond returns – is likely to be the dominant driver of performance, and continues to look compelling across the asset class, in our opinion.

Geopolitical unpredictability has already surfaced and may persist, yet EM debt has demonstrated resilience through recent shocks. A Fed interest rate cutting cycle should provide a tailwind, initially for local currency and subsequently for hard currency denominated bonds. At the same time, technical factors are improving, in our view, as flows into EM debt accelerate. Importantly,

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corporate defaults are expected to remain low and no sovereign events are anticipated. Inflation is broadly under control, though pockets of pressure are picking up; real yields – returns from the income paid to bond investors after inflation – continue to offer attractive compensation for risk, in our opinion.

The broader narrative of EM versus DM convergence – emerging markets making relatively fast progress to catch up with developed markets, whose progress is relatively slower – is gaining traction. Fiscal pressures and constraints on economic growth in developed markets enhance EM debt's relative appeal, in our view, particularly as election risk in EM is limited to a handful of contests, mostly in Latin America. Against this backdrop, we believe that fundamental factors, carry, and technical support position EM debt as a resilient and attractive allocation for investors in 2026.

Charles de Quinsonas and Nick Smallwood
Co-fund managers

Employees of M&G FA Limited which is an associate of M&G Securities Limited. Please note that effective from 1 September 2025, Nick Smallwood replaced Claudia Calich as co-fund manager. Please also note that effective from 1 January 2026, Carlos Carranza was appointed as co-fund manager.

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

Portfolio statement

Investments

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Equities	**4**	**0.00**	**0.00**
287,144	Yuzhou Group Holdings Co. Ltd.[a]	4	0.00	
	Fixed income	**1,512,894**	**95.80**	**96.42**
	Argentine peso denominated bonds	**251**	**0.02**	**0.02**
	Government bonds	**251**	**0.02**	**0.02**
ARS409,441,000	Argentina Treasury Bonds BONTE 15.5% 17/10/2026	251	0.02	
	Brazilian real denominated bonds	**47,213**	**2.99**	**2.92**
	Government bonds	**47,213**	**2.99**	**2.92**
BRL306,000,000	Brazil Notas do Tesouro Nacional 10% 01/01/2033	47,213	2.99	
	CFA franc BCEAO denominated bonds	**4,680**	**0.30**	**0.33**
	Government bonds	**4,680**	**0.30**	**0.33**
XOF2,599,500,000	Republic of Cote d'Ivoire 6.875% 01/04/2028	4,680	0.30	
	Chilean peso denominated bonds	**7,503**	**0.47**	**0.00**
	Government bonds	**7,503**	**0.47**	**0.00**
CLP6,500,000,000	Bonos de la Tesoreria de la Republica en pesos 6% 01/04/2033	7,503	0.47	
	Colombian peso denominated bonds	**23,521**	**1.49**	**1.63**
	Corporate bonds	**6,420**	**0.41**	**0.44**
COP26,919,000,000	Empresas Publicas de Medellin ESP 8.375% 08/11/2027	6,420	0.41	
	Government bonds	**17,101**	**1.08**	**1.19**
COP19,571,000,000	Bogota Distrito Capital 9.75% 26/07/2028	4,738	0.30	
COP54,000,000,000	Colombia TES 7.25% 26/10/2050	8,350	0.53	
COP15,000,000,000	Colombia TES 13.25% 09/02/2033	4,013	0.25	
	Czech koruna denominated bonds	**11,740**	**0.74**	**0.84**
	Government bonds	**11,740**	**0.74**	**0.84**
CZK240,000,000	Czech Republic Government Bonds 4.5% 11/11/2032	11,740	0.74	
	Dominican peso denominated bonds	**14,965**	**0.95**	**1.10**
	Government bonds	**14,965**	**0.95**	**1.10**
DOP174,200,000	Dominican Republic International Bonds 11.25% 15/09/2035	3,063	0.20	
DOP623,050,000	Dominican Republic International Bonds 13.625% 03/02/2033	11,902	0.75	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	Egyptian pound denominated bonds	**14,131**	**0.89**	**0.37**
	Government bonds	**14,131**	**0.89**	**0.37**
EGP401,000,000	Egypt Treasury Bills 0% 24/02/2026	8,100	0.51	
EGP321,000,000	Egypt Treasury Bills 0% 16/06/2026	6,031	0.38	
	Euro denominated bonds	**110,080**	**6.97**	**6.10**
	Corporate bonds	**25,857**	**1.64**	**1.26**
EUR1,236,000	Banca Transilvania SA Var 7.125% Perpetual	1,462	0.09	
EUR1,500,000	Bank Polska Kasa Opieki SA Var 4.0101% 27/02/2036	1,755	0.11	
EUR2,357,000	Banque Ouest Africaine de Developpement 6.25% 14/10/2040	2,710	0.17	
EUR2,196,000	BOI Finance BV 7.5% 16/02/2027	2,645	0.17	
EUR2,355,000	Eastern European Electric Co. BV 6.5% 15/05/2030	2,902	0.19	
EUR1,300,000	Eramet SA 6.5% 30/11/2029	1,510	0.10	
EUR1,600,000	Eramet SA 7% 22/05/2028	1,894	0.12	
EUR700,000	mBank SA Var 3.7714% 03/03/2032	822	0.05	
EUR2,500,000	mBank SA Var 4.7784% 25/09/2035	3,012	0.19	
EUR2,988,000	Powszechna Kasa Oszczednosci Bank Polski SA Var 3.625% 20/11/2032	3,483	0.22	
EUR3,078,000	Teva Pharmaceutical Finance Netherlands II BV 4.125% 01/06/2031	3,662	0.23	
	Government bonds	**84,223**	**5.33**	**4.84**
EUR2,316,000	Albania Government International Bonds 4.75% 14/02/2035	2,752	0.17	
EUR4,167,000	Bulgaria Government International Bonds 4.125% 07/05/2038	4,943	0.31	
EUR2,954,000	Bulgaria Government International Bonds 4.125% 18/07/2045	3,326	0.21	
EUR1,600,000	Bulgaria Government International Bonds 4.25% 05/09/2044	1,859	0.12	
EUR3,820,000	Colombia Government International Bonds 5% 19/09/2032	4,297	0.27	
EUR3,640,000	Colombia Government International Bonds 6.5% 26/11/2038	4,129	0.26	
EUR2,999,000	Ivory Coast Government International Bonds 4.875% 30/01/2032	3,411	0.22	
EUR6,539,000	Ivory Coast Government International Bonds 6.625% 22/03/2048	6,930	0.44	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	Euro denominated bonds (continued)			
	Government bonds (continued)			
EUR2,500,000	Lithuania Government International Bonds 4.25% 10/09/2045	2,873	0.18	
EUR7,500,000	Romania Government International Bonds 2% 14/04/2033	7,149	0.45	
EUR10,089,000	Romania Government International Bonds 2.875% 13/04/2042	7,794	0.49	
EUR2,900,000	Romania Government International Bonds 3.375% 08/02/2038	2,662	0.17	
EUR3,364,000	Romania Government International Bonds 6.5% 07/10/2045	3,923	0.25	
EUR6,186,000	Romania Government International Bonds 6.75% 11/07/2039	7,564	0.48	
EUR4,000,000	San Marino Government Bonds 6.5% 19/01/2027	4,807	0.31	
EUR6,000,000	Serbia International Bonds 1.65% 03/03/2033	5,872	0.37	
EUR10,868,000	Serbia International Bonds 2.05% 23/09/2036	9,932	0.63	
	Georgian lari denominated bonds	**3,323**	**0.21**	**0.24**
	Government bonds	**3,323**	**0.21**	**0.24**
GEL8,833,000	Georgia Treasury Bonds 9.75% 27/01/2027	3,323	0.21	
	Hungarian forint denominated bonds	**26,707**	**1.69**	**1.68**
	Government bonds	**26,707**	**1.69**	**1.68**
HUF3,855,000,000	Hungary Government Bonds 4.75% 24/11/2032	10,574	0.67	
HUF5,225,000,000	Hungary Government Bonds 6.75% 22/10/2028	16,133	1.02	
	Indian rupee denominated bonds	**55,084**	**3.49**	**3.18**
	Corporate bonds	**55,084**	**3.49**	**3.18**
INR224,500,000	Asian Infrastructure Investment Bank 6.9% 23/10/2034	2,477	0.16	
INR450,000,000	Asian Infrastructure Investment Bank 7% 23/01/2032	5,000	0.32	
INR150,000,000	Asian Infrastructure Investment Bank 7.2% 02/07/2031	1,685	0.11	
INR1,123,000,000	European Bank for Reconstruction & Development 6.5% 03/10/2036	12,205	0.77	
INR500,000,000	European Bank for Reconstruction & Development 6.75% 13/01/2032	5,549	0.35	
INR420,000,000	European Investment Bank 7.4% 23/10/2033	4,808	0.30	
INR755,000,000	Inter-American Development Bank 7% 17/04/2033	8,469	0.54	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	Indian rupee denominated bonds (continued)			
	Corporate bonds (continued)			
INR480,000,000	Inter-American Development Bank 7% 08/08/2033	5,387	0.34	
INR460,000,000	International Bank for Reconstruction & Development 6.71% 21/01/2035	5,054	0.32	
INR400,000,000	International Bank for Reconstruction & Development 6.75% 13/07/2029	4,450	0.28	
	Indonesian rupiah denominated bonds	**48,543**	**3.07**	**3.23**
	Government bonds	**48,543**	**3.07**	**3.23**
IDR192,000,000,000	Indonesia Treasury Bonds 7.5% 15/06/2035	12,603	0.80	
IDR209,881,000,000	Indonesia Treasury Bonds 8.25% 15/05/2036	14,500	0.92	
IDR161,600,000,000	Indonesia Treasury Bonds 8.375% 15/03/2034	11,081	0.70	
IDR147,667,000,000	Indonesia Treasury Bonds 8.375% 15/04/2039	10,359	0.65	
	Jamaican dollar denominated bonds	**9,332**	**0.59**	**0.65**
	Government bonds	**9,332**	**0.59**	**0.65**
JMD1,396,500,000	Jamaica Government International Bonds 9.625% 03/11/2030	9,332	0.59	
	Kazakhstan tenge denominated bonds	**8,933**	**0.57**	**0.73**
	Corporate bonds	**1,175**	**0.08**	**0.20**
KZT600,000,000	International Bank for Reconstruction & Development 12.5% 05/03/2026	1,175	0.08	
	Government bonds	**7,758**	**0.49**	**0.53**
KZT1,694,728,000	Kazakhstan Government Bonds - MEOKAM 13.75% 24/06/2026	3,292	0.21	
KZT1,700,000,000	Kazakhstan Government Bonds - MEUKAM 5% 18/04/2028	2,678	0.17	
KZT1,000,000,000	Kazakhstan Government Bonds - MEUKAM 9% 03/07/2027	1,788	0.11	
	Malaysian ringgit denominated bonds	**50,548**	**3.20**	**3.30**
	Government bonds	**50,548**	**3.20**	**3.30**
MYR70,000,000	Malaysia Government Bonds 3.582% 15/07/2032	17,442	1.10	
MYR68,678,000	Malaysia Government Bonds 3.844% 15/04/2033	17,345	1.10	
MYR62,500,000	Malaysia Government Bonds 3.885% 15/08/2029	15,761	1.00	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	Mexican peso denominated bonds	**54,447**	**3.45**	**3.35**
	Government bonds	**54,447**	**3.45**	**3.35**
MXN1,046,290,000	Mexico Bonos 8.5% 18/11/2038	54,447	3.45	
	Nigerian naira denominated bonds	**7,824**	**0.49**	**0.54**
	Government bonds	**7,824**	**0.49**	**0.54**
NGN10,250,000,000	Nigeria Government Bonds 19.89% 15/05/2033	7,824	0.49	
	Paraguay guarani denominated bonds	**17,570**	**1.11**	**1.06**
	Government bonds	**17,570**	**1.11**	**1.06**
PYG68,758,000,000	Paraguay Government International Bonds 7.9% 09/02/2031	9,911	0.63	
PYG53,000,000,000	Paraguay Government International Bonds 8.5% 04/03/2035	7,659	0.48	
	Peruvian nouveau sol denominated bonds	**12,151**	**0.77**	**0.76**
	Government bonds	**12,151**	**0.77**	**0.76**
PEN37,500,000	Peru Government Bonds 7.6% 12/08/2039	12,151	0.77	
	Philippines peso denominated bonds	**14,362**	**0.91**	**1.06**
	Government bonds	**14,362**	**0.91**	**1.06**
PHP853,000,000	Philippines Government International Bonds 6.25% 14/01/2036	14,362	0.91	
	Polish zloty denominated bonds	**50,150**	**3.18**	**2.79**
	Government bonds	**50,150**	**3.18**	**2.79**
PLN107,000,000	Republic of Poland Government Bonds 1.75% 25/04/2032	25,061	1.59	
PLN90,000,000	Republic of Poland Government Bonds 4.5% 25/07/2030	25,089	1.59	
	Romanian leu denominated bonds	**0**	**0.00**	**1.44**
	Government bonds	**0**	**0.00**	**1.44**
	South African rand denominated bonds	**50,490**	**3.20**	**2.61**
	Government bonds	**50,490**	**3.20**	**2.61**
ZAR868,870,968	Republic of South Africa Government Bonds 8.75% 31/01/2044	50,490	3.20	
	Thailand baht denominated bonds	**6,629**	**0.42**	**0.39**
	Government bonds	**6,629**	**0.42**	**0.39**
THB187,687,000	Thailand Government Bonds Inflation-Linked 1.25% 12/03/2028	6,629	0.42	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	Turkish lira denominated bonds	**5,848**	**0.37**	**0.44**
	Government bonds	**5,848**	**0.37**	**0.44**
TRY250,000,000	Turkiye Government Bonds 36% 12/08/2026	5,848	0.37	
	Ukraine hryvna denominated bonds	**8,878**	**0.56**	**0.50**
	Government bonds	**8,878**	**0.56**	**0.50**
UAH203,700,000	Ukraine Government Bonds 16.35% 16/09/2026	4,811	0.30	
UAH172,000,000	Ukraine Government Bonds 17.1% 10/03/2027	4,067	0.26	
	Uruguayan peso denominated bonds	**23,059**	**1.46**	**1.56**
	Government bonds	**23,059**	**1.46**	**1.56**
UYU606,902,481	Uruguay Government International Bonds Inflation-Linked 3.875% 02/07/2040	23,059	1.46	
	US dollar denominated bonds	**809,523**	**51.26**	**52.56**
	Corporate bonds	**399,513**	**25.30**	**24.40**
USD2,693,000	Aegea Finance SARL 9% 20/01/2031	2,829	0.18	
USD3,267,282	AES Panama Generation Holdings SRL 4.375% 31/05/2030	3,054	0.19	
USD3,323,000	Africa Finance Corp. Var 7.5% Perpetual	3,360	0.21	
USD2,998,000	Akbank TAS Var 7.875% 04/09/2035	3,085	0.20	
USD3,988,000	Aldar Investment Properties Sukuk Ltd. 4.875% 24/05/2033	3,997	0.25	
USD1,960,000	Alpha Star Holding IX Ltd. 7% 26/08/2028	2,002	0.13	
USD2,766,000	ALROSA Finance SA 3.1% 25/06/2027[b]	0	0.00	
USD2,117,000	Antofagasta PLC 5.625% 09/09/2035	2,171	0.14	
USD1,851,000	Antofagasta PLC 6.25% 02/05/2034	1,983	0.13	
USD4,300,000	Aydem Yenilenebilir Enerji AS 9.875% 30/09/2030	4,227	0.27	
USD1,500,000	Banco Davivienda SA Var 6.65% Perpetual	1,415	0.09	
USD1,930,000	Banco Davivienda SA Var 8.125% 02/07/2035	2,008	0.13	
USD2,933,000	Banco de Credito del Peru SA Var 3.25% 30/09/2031	2,888	0.18	
USD2,643,000	Banco de Credito del Peru SA Var 5.65% 15/01/2037	2,656	0.17	
USD2,900,000	Banco de Credito e Inversiones SA Var 7.5% Perpetual	3,075	0.19	
USD640,000	Banco do Brasil SA 6.25% 18/04/2030	662	0.04	
USD1,500,000	Banco General SA Var 5.25% Perpetual	1,418	0.09	
USD1,800,000	Banco Mercantil del Norte SA Var 8.375% Perpetual	1,884	0.12	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Corporate bonds (continued)			
USD2,056,000	Banco Mercantil del Norte SA Var 8.75% Perpetual	2,193	0.14	
USD4,150,000	Banco Nacional de Comercio Exterior SNC Var 2.72% 11/08/2031	4,061	0.26	
USD3,362,000	Banco Votorantim SA 5.875% 08/04/2028	3,413	0.22	
USD2,800,000	Bancolombia SA Var 8.625% 24/12/2034	2,990	0.19	
USD3,745,000	Bangkok Bank PCL 5.082% 26/11/2035	3,744	0.24	
USD2,500,000	Bangkok Bank PCL Var 3.733% 25/09/2034	2,372	0.15	
USD1,400,000	Bangkok Bank PCL Var 6.056% 25/03/2040	1,429	0.09	
USD4,500,000	Bank Leumi Le-Israel BM Var 3.275% 29/01/2031	4,483	0.28	
USD2,700,000	Bank of East Asia Ltd. Var 4.875% 22/04/2032	2,698	0.17	
USD3,000,000	Banque Ouest Africaine de Developpement 4.7% 22/10/2031	2,760	0.17	
USD3,500,000	Banque Saudi Fransi Var 6.375% Perpetual	3,507	0.22	
USD2,000,000	BBVA Mexico SA Institucion De Banca Multiple Grupo Financiero BBVA Mexico Var 8.125% 08/01/2039	2,160	0.14	
USD3,000,000	BBVA Mexico SA Institucion De Banca Multiple Grupo Financiero BBVA Mexico Var 8.45% 29/06/2038	3,309	0.21	
USD6,380,345	Bioceanico Sovereign Certificate Ltd. 0% 05/06/2034	5,163	0.33	
USD4,000,000	Braskem Netherlands Finance BV 8% 15/10/2034	1,540	0.10	
USD2,208,000	C&W Senior Finance Ltd. 9% 15/01/2033	2,281	0.14	
USD3,560,000	Cemex SAB de CV Var 7.2% Perpetual	3,707	0.23	
USD4,197,000	Commercial Bank PSQC Var 4.5% Perpetual	4,158	0.26	
USD3,045,000	Continuum Energy Aura Pte. Ltd. 9.5% 24/02/2027	3,093	0.20	
USD3,026,000	Dar Al-Arkan Sukuk Co. Ltd. 8% 25/02/2029	3,137	0.20	
USD3,840,000	DP World Crescent Ltd. 5.5% 13/09/2033	3,958	0.25	
USD2,370,000	DP World Crescent Ltd. 5.5% 08/05/2035	2,443	0.15	
USD2,739,000	Ecobank Transnational, Inc. 10.125% 15/10/2029	2,892	0.18	
USD5,500,000	Ecopetrol SA 5.875% 02/11/2051	3,940	0.25	
USD4,600,000	Ecopetrol SA 8.375% 19/01/2036	4,717	0.30	
USD3,000,000	Ecopetrol SA 8.875% 13/01/2033	3,192	0.20	
USD2,394,000	EDO Sukuk Ltd. 5.662% 03/07/2031	2,500	0.16	
USD4,000,000	EIG Pearl Holdings SARL 4.387% 30/11/2046	3,367	0.21	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Corporate bonds (continued)			
USD2,000,000	Empresa de Transmision Electrica SA 5.125% 02/05/2049	1,529	0.10	
USD3,200,000	First Abu Dhabi Bank PJSC Var 5.804% 16/01/2035	3,292	0.21	
USD1,409,000	First Quantum Minerals Ltd. 7.25% 15/02/2034	1,476	0.09	
USD2,500,000	First Quantum Minerals Ltd. 8% 01/03/2033	2,663	0.17	
USD2,252,000	Ford Otomotiv Sanayi AS 7.125% 25/04/2029	2,329	0.15	
USD1,833,000	ForteBank JSC 7.75% 04/02/2030	1,827	0.12	
USD2,750,000	Freeport Indonesia PT 5.315% 14/04/2032	2,789	0.18	
USD4,500,000	Georgian Railway JSC 4% 17/06/2028	4,218	0.27	
USD1,500,000	Global Bank Corp. Var 5.25% 16/04/2029	1,475	0.09	
USD3,800,000	Greenko Wind Projects Mauritius Ltd. 7.25% 27/09/2028	3,834	0.24	
USD2,867,000	Greensaif Pipelines Bidco SARL 6.51% 23/02/2042	3,129	0.20	
USD631,000	GTLK Europe Capital DAC 4.65% 10/03/2027[b]	0	0.00	
USD3,208,000	GTLK Europe Capital DAC 5.95% 17/04/2060[b]	0	0.00	
USD2,212,000	GTLK Europe DAC 5.125% 31/05/2060[b]	0	0.00	
USD2,893,000	Hanwha Life Insurance Co. Ltd. Var 6.3% 24/06/2055	3,001	0.19	
USD4,500,000	Heritage Petroleum Co. Ltd. 9% 12/08/2029	4,630	0.29	
USD2,259,000	HTA Group Ltd. 7.5% 04/06/2029	2,333	0.15	
USD3,712,000	Hunt Oil Co. of Peru LLC Sucursal Del Peru 7.75% 05/11/2038	4,065	0.26	
USD3,791,000	IHS Holding Ltd. 7.875% 29/05/2030	3,897	0.25	
USD4,800,000	Indofood CBP Sukses Makmur Tbk. PT 3.398% 09/06/2031	4,496	0.28	
USD3,815,000	InRetail Shopping Malls 5.65% 16/10/2032	3,824	0.24	
USD2,090,000	Ipoteka-Bank ATIB 6.45% 09/10/2030	2,085	0.13	
USD1,600,000	Jollibee Worldwide Pte. Ltd. 4.75% 24/06/2030	1,610	0.10	
USD4,000,000	KazMunayGas National Co. JSC 5.75% 19/04/2047	3,777	0.24	
USD7,250,000	KazMunayGas National Co. JSC 6.375% 24/10/2048	7,305	0.46	
USD3,700,000	KFH Tier 1 Sukuk 2 Ltd. Var 6.25% Perpetual	3,714	0.23	
USD2,000,000	Kingston Airport Revenue Finance Ltd. 6.75% 15/12/2036	2,047	0.13	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Corporate bonds (continued)			
USD2,402,000	Kosmos Energy Ltd. 7.75% 01/05/2027	2,197	0.14	
USD1,190,000	Kosmos Energy Ltd. 8.75% 01/10/2031	670	0.04	
USD2,761,000	Liberty Costa Rica Senior Secured Finance 10.875% 15/01/2031	2,893	0.18	
USD3,504,000	Limak Yenilenebilir Enerji AS 9.625% 12/08/2030	3,427	0.22	
USD5,000,000	Ma'aden Sukuk Ltd. 5.5% 13/02/2035	5,175	0.33	
USD4,589,000	MAF Global Securities Ltd. Var 5.7477% Perpetual	4,552	0.29	
USD610,000	MAF Global Securities Ltd. Var 7.875% Perpetual	631	0.04	
USD1,421,000	Mashreqbank PSC Var 7.125% Perpetual	1,461	0.09	
USD2,135,000	Mashreqbank PSC Var 7.875% 24/02/2033	2,241	0.14	
USD1,113,000	Meituan 5.125% 05/11/2035	1,105	0.07	
USD3,000,000	Melco Resorts Finance Ltd. 5.75% 21/07/2028	2,993	0.19	
USD2,400,000	Metalsa SAPI de CV 3.75% 04/05/2031	2,057	0.13	
USD5,100,000	Millicom International Cellular SA 4.5% 27/04/2031	4,724	0.30	
USD3,700,000	Minerva Luxembourg SA 8.875% 13/09/2033	4,034	0.26	
USD3,387,000	Montego Bay Airport Revenue Finance Ltd. 6.6% 15/06/2035	3,366	0.21	
USD2,824,000	Muthoot Finance Ltd. 7.125% 14/02/2028	2,886	0.18	
USD3,231,806	NAK Naftogaz Ukraine via Kondor Finance PLC 7.625% 08/11/2028	2,489	0.16	
USD3,000,000	National Bank of Oman SAOG Var 8% Perpetual	3,008	0.19	
USD2,988,000	Navoi Mining & Metallurgical Combinat 6.7% 17/10/2028	3,086	0.20	
USD2,600,000	NBK Tier 1 Ltd. Var 3.625% Perpetual	2,549	0.16	
USD2,231,000	Nexa Resources SA 6.6% 08/04/2037	2,295	0.14	
USD2,000,000	Nexa Resources SA 6.75% 09/04/2034	2,125	0.13	
USD2,900,000	OCP SA 3.75% 23/06/2031	2,708	0.17	
USD3,400,000	OCP SA 6.7% 01/03/2036	3,633	0.23	
USD2,762,000	Orbia Advance Corp. SAB de CV 6.8% 13/05/2030	2,724	0.17	
USD3,247,000	Oriflame Investment Holding PLC 5.125% 04/05/2026[c]	254	0.02	
USD1,448,000	OTP Bank Nyrt Var 7.3% 30/07/2035	1,520	0.10	
USD2,500,000	OTP Bank Nyrt Var 8.75% 15/05/2033	2,652	0.17	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Corporate bonds (continued)			
USD2,200,000	Petrobras Global Finance BV 6.5% 03/07/2033	2,273	0.14	
USD10,000,000	Petroleos de Venezuela SA 5.375% 12/04/2027[c]	2,317	0.15	
USD8,830,000	Petroleos de Venezuela SA 6% 28/10/2022[c]	1,775	0.11	
USD9,844,900	Petroleos de Venezuela SA 6% 16/05/2060[c]	2,291	0.14	
USD10,000,000	Petroleos Mexicanos 6.625% 15/06/2035	9,450	0.60	
USD3,000,000	Piramal Finance Ltd. 7.8% 29/01/2028	3,056	0.19	
USD3,190,000	Port of Spain Waterfront Development 7.875% 19/02/2040	3,177	0.20	
USD5,700,000	Prosus NV 3.832% 08/02/2051	3,820	0.24	
USD3,375,000	Puma International Financing SA 7.75% 25/04/2029	3,477	0.22	
USD5,500,000	QatarEnergy 3.125% 12/07/2041	4,225	0.27	
USD3,625,000	Rede D'or Finance SARL 4.95% 17/01/2028	3,616	0.23	
USD3,300,000	Riyad Sukuk Ltd. Var 6.209% 14/07/2035	3,365	0.21	
USD3,800,000	Saavi Energia SARL 8.875% 10/02/2035	4,106	0.26	
USD2,600,000	Sable International Finance Ltd. 7.125% 15/10/2032	2,629	0.17	
USD3,033,000	Sagicor Financial Co. Ltd. 5.3% 13/05/2028	3,020	0.19	
USD3,100,000	Saudi Arabian Oil Co. 5.375% 02/06/2035	3,198	0.20	
USD4,500,000	Saudi Arabian Oil Co. 6.375% 02/06/2055	4,711	0.30	
USD1,874,000	Sitios Latinoamerica SAB de CV 5.375% 04/04/2032	1,879	0.12	
USD4,500,000	Sociedad Quimica y Minera de Chile SA 5.5% 10/09/2034	4,540	0.29	
USD5,820,000	Southern Gas Corridor CJSC 6.875% 24/03/2026	5,853	0.37	
USD3,700,000	Sovcombank Via SovCom Capital DAC Var 8% 07/04/2030[b]	0	0.00	
USD3,900,000	Standard Chartered PLC Var 4.3% Perpetual	3,732	0.24	
USD6,300,000	Tencent Holdings Ltd. 3.24% 03/06/2050	4,542	0.29	
USD1,956,000	Trinidad Generation UnLtd. 7.75% 16/06/2033	2,021	0.13	
USD2,859,000	Turkiye Garanti Bankasi AS Var 7.625% 15/04/2036	2,896	0.18	
USD1,500,000	Turkiye Garanti Bankasi AS Var 8.125% 03/01/2035	1,556	0.10	
USD2,000,000	Uzbek Industrial & Construction Bank ATB 8.95% 24/07/2029	2,142	0.14	
USD6,171,000	Uzbekneftegaz JSC 8.75% 07/05/2030	6,587	0.42	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Corporate bonds (continued)			
USD2,650,000	WE Soda Investments Holding PLC 9.5% 06/10/2028	2,667	0.17	
USD1,278,000	Windfall Mining Group, Inc./Groupe Minier Windfall, Inc. 5.854% 13/05/2032	1,333	0.08	
USD3,054,469	WOM Chile Holdco SpA 5% 01/04/2032 (WOM Chile Holdco SpA)	2,800	0.18	
USD2,492,491	WOM Mobile SA 11% 01/04/2031	2,453	0.16	
USD4,700,000	Xiaomi Best Time International Ltd. 4.1% 14/07/2051	3,753	0.24	
USD1,531,481	Yinson Boronia Production BV 8.947% 31/07/2042	1,666	0.11	
USD1,222,351	YPF SA 8.25% 17/01/2034	1,246	0.08	
USD3,416,667	YPF SA 8.75% 11/09/2031	3,528	0.22	
USD314,730	Yuzhou Group Holdings Co. Ltd. 1% 30/06/2034[c]	0	0.00	
USD254,009	Yuzhou Group Holdings Co. Ltd. 4% 30/06/2028[c]	7	0.00	
USD442,311	Yuzhou Group Holdings Co. Ltd. 4.5% 30/06/2029[c]	9	0.00	
USD590,376	Yuzhou Group Holdings Co. Ltd. 5% 30/06/2030[c]	13	0.00	
USD828,158	Yuzhou Group Holdings Co. Ltd. 5.5% 30/06/2031[c]	7	0.00	
USD299,594	Yuzhou Group Holdings Co. Ltd. 7% 30/06/2027[c]	30	0.00	
USD3,000,000	Zhongsheng Group Holdings Ltd. 5.98% 30/01/2028	3,026	0.19	
	Government bonds	**410,010**	**25.96**	**28.16**
USD1,700,000	Angola Government International Bonds 8.75% 14/04/2032	1,656	0.11	
USD6,663,000	Angola Government International Bonds 9.375% 08/05/2048	5,854	0.37	
USD19,035,443	Argentina Republic Government International Bonds 3.5% 09/07/2041	13,084	0.83	
USD8,170,041	Argentina Republic Government International Bonds 4.125% 09/07/2035	6,041	0.38	
USD7,100,000	Bahamas Government International Bonds 8.25% 24/06/2036	7,913	0.50	
USD7,538,000	Baiterek National Managing Holding JSC 4.65% 01/10/2030	7,501	0.48	
USD2,435,000	Baiterek National Managing Holding JSC 5.45% 08/05/2028	2,465	0.16	
USD2,535,000	Bank Gospodarstwa Krajowego 5.75% 09/07/2034	2,662	0.17	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Government bonds (continued)			
USD9,800,000	Barbados Government International Bonds 8% 26/06/2035	10,306	0.65	
USD686,000	Bolivia Government International Bonds 4.5% 20/03/2028	629	0.04	
USD5,000,000	Brazil Government International Bonds 4.75% 14/01/2050	3,623	0.23	
USD1,500,000	Bulgaria Government International Bonds 5% 05/03/2037	1,492	0.09	
USD2,000,000	City of Ulaanbaatar Mongolia 7.75% 21/08/2027	2,053	0.13	
USD2,059,000	Ciudad Autonoma De Buenos Aires/Government Bonds 7.8% 26/11/2033	2,085	0.13	
USD3,500,000	Colombia Government International Bonds 8.75% 14/11/2053	3,857	0.24	
USD3,878,000	Corp. Financiera de Desarrollo SA 5.5% 06/05/2030	3,989	0.25	
USD3,300,000	Costa Rica Government International Bonds 5.625% 30/04/2043	3,166	0.20	
USD467,000	Development Bank of Kazakhstan JSC 5.625% 07/04/2030	482	0.03	
USD4,000,000	Dominican Republic International Bonds 4.875% 23/09/2032	3,847	0.24	
USD4,092,000	Dominican Republic International Bonds 5.875% 28/10/2035	4,096	0.26	
USD4,773,000	Dominican Republic International Bonds 6.95% 15/03/2037	5,116	0.32	
USD10,636,364	Ecuador Government International Bonds 5% 31/07/2040	8,256	0.52	
USD6,883,000	Egypt Government International Bonds 8.7002% 01/03/2049	6,865	0.44	
USD8,485,000	Egypt Government International Bonds 8.875% 29/05/2050	8,591	0.54	
USD4,500,000	El Salvador Government International Bonds 7.65% 15/06/2035	4,659	0.30	
USD13,000,000	Finance Department Government of Sharjah 4% 28/07/2050	8,702	0.55	
USD3,500,000	Finance Department Government of Sharjah 4.375% 10/03/2051	2,465	0.16	
USD5,350,000	Gabon Government International Bonds 6.625% 06/02/2031	4,138	0.26	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Government bonds (continued)			
USD3,650,000	Gabon Government International Bonds 9.5% 18/02/2029	3,154	0.20	
USD7,896,000	Georgia Government International Bonds 2.75% 22/04/2026	7,805	0.49	
USD2,550,000	Ghana Government International Bonds 5% 03/07/2029	2,505	0.16	
USD6,770,632	Ghana Government International Bonds 5% 03/07/2035	6,188	0.39	
USD6,000,000	Guatemala Government Bonds 3.7% 07/10/2033	5,347	0.34	
USD4,342,000	Guatemala Government Bonds 6.125% 01/06/2050	4,245	0.27	
USD3,800,000	Honduras Government International Bonds 5.625% 24/06/2030	3,763	0.24	
USD3,720,000	Honduras Government International Bonds 8.625% 27/11/2034	4,191	0.27	
USD2,800,000	Hungary Government International Bonds 5.375% 26/09/2030	2,877	0.18	
USD3,400,000	Hungary Government International Bonds 6.25% 22/09/2032	3,618	0.23	
USD1,400,000	Istanbul Metropolitan Municipality 10.5% 06/12/2028	1,536	0.10	
USD2,833,000	Ivory Coast Government International Bonds 8.075% 01/04/2036	3,049	0.19	
USD3,700,000	Jordan Government International Bonds 5.75% 12/11/2032	3,634	0.23	
USD7,990,000	Kuwait International Government Bonds 4.652% 09/10/2035	7,965	0.50	
USD6,529,000	Kyrgyz Republic International Bonds 7.75% 03/06/2030	6,701	0.42	
USD3,717,000	Mexico Government International Bonds 5.375% 22/03/2033	3,680	0.23	
USD2,100,000	Montenegro Government International Bonds 7.25% 12/03/2031	2,237	0.14	
USD1,220,000	Morocco Government International Bonds 3% 15/12/2032	1,072	0.07	
USD3,500,000	Morocco Government International Bonds 5.5% 11/12/2042	3,341	0.21	
USD6,900,000	Mozambique International Bonds 9% 15/09/2031	5,881	0.37	
USD3,852,000	National Bank of Uzbekistan 7.2% 17/07/2030	3,974	0.25	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Government bonds (continued)			
USD5,486,000	Nigeria Government International Bonds 7.375% 28/09/2033	5,567	0.35	
USD2,250,000	Nigeria Government International Bonds 9.1297% 13/01/2046	2,417	0.15	
USD6,852,000	Pakistan Government International Bonds 8.875% 08/04/2051	6,731	0.43	
USD4,896,000	Papua New Guinea Government International Bonds 8.375% 04/10/2028	5,067	0.32	
USD9,055,000	Paraguay Government International Bonds 6.1% 11/08/2044	9,347	0.59	
USD4,324,000	Republic of Armenia International Bonds 6.75% 12/03/2035	4,491	0.28	
USD8,947,000	Republic of Azerbaijan International Bonds 3.5% 01/09/2032	8,381	0.53	
USD2,320,000	Republic of Kenya Government International Bonds 8.8% 09/10/2038	2,346	0.15	
USD6,500,000	Republic of Kenya Government International Bonds 9.5% 05/03/2036	6,908	0.44	
USD9,100,000	Republic of South Africa Government International Bonds 5.375% 24/07/2044	7,746	0.49	
USD4,500,000	Republic of South Africa Government International Bonds 5.75% 30/09/2049	3,803	0.24	
USD3,143,000	Republic of South Africa Government International Bonds 6.125% 11/12/2037	3,097	0.20	
USD7,328,000	Republic of South Africa Government International Bonds 7.95% 19/11/2054	7,874	0.50	
USD6,511,333	Republic of Tajikistan International Bonds 7.125% 14/09/2027	6,518	0.41	
USD4,500,000	Saudi Government International Bonds 5% 18/01/2053	4,010	0.25	
USD3,400,000	Senegal Government International Bonds 6.75% 13/03/2048	1,806	0.11	
USD1,500,000	Senegal Government International Bonds 7.75% 10/06/2031	880	0.06	
USD71,965	Seychelles International Bonds 8% 01/01/2026	72	0.01	
USD1,800,000	Sri Lanka Government International Bonds 3.1% 15/01/2030	1,706	0.11	
USD3,011,580	Sri Lanka Government International Bonds 3.35% 15/03/2033	2,586	0.16	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Government bonds (continued)			
USD942,678	Sri Lanka Government International Bonds 3.6% 15/05/2036	855	0.05	
USD2,886,148	Sri Lanka Government International Bonds 3.6% 15/02/2038	2,623	0.17	
USD3,023,000	Suriname Government International Bonds 7.7% 06/11/2030	3,117	0.20	
USD11,500,000	Turkiye Government International Bonds 4.875% 16/04/2043	8,812	0.56	
USD9,000,000	Turkiye Government International Bonds 5.75% 11/05/2047	7,358	0.47	
USD7,800,000	Turkiye Government International Bonds 6.625% 17/02/2045	7,258	0.46	
USD3,500,000	Turkiye Government International Bonds 6.95% 16/09/2035	3,599	0.23	
USD1,500,000	Turkiye Government International Bonds 7.125% 12/02/2032	1,588	0.10	
USD3,500,000	Turkiye Ihracat Kredi Bankasi AS 6.375% 03/10/2030	3,510	0.22	
USD25,500,000	U.S. Treasury Bonds 1.75% 15/08/2041	17,344	1.10	
USD14,000,000	U.S. Treasury Inflation-Indexed Notes 1.875% 15/07/2034	14,629	0.93	
USD6,246,433	Ukraine Government International Bonds 3% 01/02/2036	3,521	0.22	
USD7,176,223	Ukraine Government International Bonds 4.5% 01/02/2034	4,352	0.28	
USD5,454,102	Ukraine Government International Bonds 4.5% 01/02/2035	3,249	0.21	
USD16,000,000	Venezuela Government International Bonds 7% 31/03/2038[c]	4,699	0.30	
USD5,712,567	Vietnam Government International Bonds 5.5% 12/03/2028	5,451	0.35	
USD3,000,000	Zambia Government International Bonds 0.5% 31/12/2053	2,118	0.13	
USD2,262,592	Zambia Government International Bonds 5.75% 30/06/2033	2,218	0.14	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	Uzbekistani som denominated bonds	**15,409**	**0.98**	**1.04**
	Government bonds	**15,409**	**0.98**	**1.04**
UZS56,250,000,000	Republic of Uzbekistan International Bonds 15.5% 25/02/2028	4,897	0.31	
UZS61,670,000,000	Republic of Uzbekistan International Bonds 16.25% 12/10/2026	5,228	0.33	
UZS60,830,000,000	Republic of Uzbekistan International Bonds 16.625% 29/05/2027	5,284	0.34	
	Derivatives	**6,884**	**0.44**	**0.25**
	Forwards	**(627)**	**(0.04)**	**(0.07)**
	Bought CLP3,900,000,000 for USD4,278,192 Settlement 18/03/2026	60	0.00	
	Bought TRY419,000,000 for USD9,127,679 Settlement 18/03/2026	114	0.01	
	Sold CLP3,900,000,000 for USD4,141,270 Settlement 18/03/2026	(197)	(0.01)	
	Sold EUR77,100,000 for USD90,275,164 Settlement 18/03/2026	(604)	(0.04)	
	Forwards for share class hedging	**7,511**	**0.48**	**0.32**
	Bought GBP411,030,246 for USD545,514,641 Settlement 07/01/2026	7,545	0.48	
	Sold GBP3,640,847 for USD4,864,800 Settlement 07/01/2026	(34)	0.00	
Total portfolio		**1,519,782**	**96.24**	**96.67**
Net other assets/(liabilities)		**59,392**	**3.76**	**3.33**
Net assets attributable to shareholders		**1,579,174**	**100.00**	**100.00**

[a] Suspended.
[b] M&G's Valuation Sub Committee are valuing these securities at $nil until further notice.
[c] Defaulted bond.

M&G Emerging Markets Bond Fund

Portfolio statement

Top ten portfolio transactions for the six months to 31 December 2025

Largest purchases	$'000
Republic of Poland Government Bonds 4.5% 25/07/2030	24,928
Petroleos Mexicanos 6.625% 15/06/2035	8,810
Nigeria Government Bonds 19.89% 15/05/2033	8,245
Colombia Government International Bonds 5% 19/09/2032	8,163
Republic of Poland Government Bonds 6% 25/10/2033	8,098
Kuwait International Government Bonds 4.652% 09/10/2035	7,990
Egypt Treasury Bills 0% 24/02/2026	7,733
Baiterek National Managing Holding JSC 4.65% 01/10/2030	7,447
Romania Government International Bonds 6.75% 11/07/2039	7,375
Egypt Treasury Bills 0% 30/09/2025	7,176
Other purchases	348,846
Total purchases	**444,811**

Largest sales	$'000
Republic of Poland Government Bonds 6% 25/10/2033	26,525
Viet Nam Debt & Asset Trading Corp. 1% 10/10/2025	16,239
Romania Government Bonds 8.75% 30/10/2028	12,582
Romania Government International Bonds 6.375% 18/09/2033	12,504
Nigeria OMO Bills 0% 09/12/2025	8,892
Egypt Treasury Bills 0% 30/09/2025	7,797
Development Bank of Kazakhstan JSC 5.625% 07/04/2030	7,490
Romania Government Bonds 4.15% 26/01/2028	7,289
Suriname Government International Bonds 7.95% 15/07/2033	6,909
U.S. Treasury Inflation-Indexed Notes 1.875% 15/07/2034	6,316
Other sales	222,333
Total sales	**334,876**

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

To give an indication of the performance of the fund, the following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested and shown as net of operating charge. Please refer to '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	+9.6	+6.9	+3.1	+6.0
Class 'A' Accumulation	+9.6	+6.9	+3.2	+6.0
Class 'I' Income	+9.9	+7.3	+3.6	+6.5
Class 'I' Accumulation	+9.8	+7.3	+3.6	+6.5
Class 'I-H' Income	+7.7	+10.7	+2.4	+4.3
Class 'I-H' Accumulation	+7.7	+10.7	+2.5	+4.4
Class 'PP' Income	+9.9	+7.4	+3.7	n/a
Class 'PP' Accumulation	+9.9	+7.4	+3.7	n/a
Class 'PP-H' Income	+7.8	+10.8	n/a	n/a
Class 'PP-H' Accumulation	+7.7	+10.8	n/a	n/a
Class 'R' Income	+9.7	+7.0	+3.3	+6.2
Class 'R' Accumulation	+9.7	+7.1	+3.3	+6.2
Benchmark	**+8.3**	**+5.6**	**+2.2**	**+5.4**

[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 October 2002.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	7,685	7,468	7,337
Number of shares	7,578,396	7,674,697	7,736,891
Closing NAV per share (UK p)	75.36	71.02	74.93
Operating charges (%)	1.08	1.08	1.08

Sterling Class 'A' Accumulation shares

The share class was launched on 1 October 2002.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	8,544	8,522	9,200
Number of shares	2,145,476	2,313,369	2,770,955
Closing NAV per share (UK p)	295.95	268.85	262.33
Operating charges (%)	1.08	1.08	1.08

Sterling Class 'I' Income shares

The share class was launched on 19 April 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	193,861	167,049	153,409
Number of shares	136,011,736	122,373,811	115,798,733
Closing NAV per share (UK p)	105.93	99.62	104.67
Operating charges (%)	0.68	0.68	0.68

Sterling Class 'I' Accumulation shares

The share class was launched on 19 April 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	424,906	419,291	555,292
Number of shares	139,741,879	149,367,946	220,330,996
Closing NAV per share (UK p)	225.98	204.86	199.13
Operating charges (%)	0.68	0.68	0.68

Sterling Class 'I-H' Income shares

The share class was launched on 24 July 2015.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	103,718	96,994	153,605
Number of shares	99,496,080	95,250,758	167,585,408
Closing NAV per share (UK p)	77.47	74.31	72.42
Operating charges (%)	0.71	0.71	0.71

Sterling Class 'I-H' Accumulation shares

The share class was launched on 24 July 2015.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	340,965	242,575	198,185
Number of shares	169,581,453	128,123,532	125,754,789
Closing NAV per share (UK p)	149.43	138.17	124.52
Operating charges (%)	0.71	0.71	0.71

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	39,766	34,287	75,885
Number of shares	38,724,313	34,880,968	79,629,317
Closing NAV per share (UK p)	76.32	71.74	75.30
Operating charges (%)	0.58	0.58	0.58

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	353,628	306,732	324,229
Number of shares	200,691,524	188,582,722	222,362,693
Closing NAV per share (UK p)	130.95	118.70	115.21
Operating charges (%)	0.58	0.58	0.58

Financial highlights

Sterling Class 'PP-H' Income shares

The share class was launched on 15 March 2021.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	43,810	40,148	356,414
Number of shares	39,251,784	36,840,873	363,789,623
Closing NAV per share (UK p)	82.95	79.53	77.41
Operating charges (%)	0.61	0.61	0.61

Sterling Class 'PP-H' Accumulation shares

The share class was launched on 15 March 2021.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	56,033	55,865	42,858
Number of shares	35,632,896	37,747,676	34,816,967
Closing NAV per share (UK p)	116.87	108.01	97.26
Operating charges (%)	0.61	0.61	0.61

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	2,313	2,173	2,003
Number of shares	1,780,460	1,744,016	1,652,790
Closing NAV per share (UK p)	96.54	90.91	95.76
Operating charges (%)	0.93	0.93	0.93

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	3,945	3,551	3,219
Number of shares	1,441,541	1,403,411	1,413,686
Closing NAV per share (UK p)	203.40	184.64	179.89
Operating charges (%)	0.93	0.93	0.93

Financial statements and notes

Financial statements

Statement of total return

for the six months to 31 December	2025		2024	
	$'000	$'000	$'000	$'000
Income				
Net capital gains/(losses)		56,936		8,625
Revenue	55,054		69,439	
Expenses	(4,861)		(5,988)	
Interest payable and similar charges	(2)		(60)	
Net revenue/(expense) before taxation	50,191		63,391	
Taxation	(258)		(389)	
Net revenue/(expense) after taxation		49,933		63,002
Total return before distributions		**106,869**		**71,627**
Distributions		(51,218)		(65,264)
Change in net assets attributable to shareholders from investment activities		**55,651**		**6,363**

Statement of change in net assets attributable to shareholders

for the six months to 31 December	2025		2024	
	$'000	$'000	$'000	$'000
Opening net assets attributable to shareholders		**1,384,655**		**1,881,636**
Amounts received on issue of shares	253,602		111,552	
Amounts paid on cancellation of shares	(154,316)		(673,161)	
		99,286		(561,609)
Dilution adjustments		234		2,113
Change in net assets attributable to shareholders from investment activities (see above)		55,651		6,363
Retained distributions on Accumulation shares		39,348		34,895
Unclaimed distributions		0		1
Closing net assets attributable to shareholders		**1,579,174**		**1,363,399**

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	31 December 2025 $'000	30 June 2025 $'000
Assets		
Fixed assets		
Investments	1,520,617	1,339,613
Current assets		
Debtors	37,008	77,913
Cash and bank balances	6,582	9,416
Cash equivalents	35,746	26,308
Total assets	**1,599,953**	**1,453,250**
Liabilities		
Investment liabilities	(835)	(1,087)
Creditors		
Bank overdrafts	0	(18,508)
Distribution payable	(14,757)	(13,525)
Other creditors	(5,187)	(35,475)
Total liabilities	**(20,779)**	**(68,595)**
Net assets attributable to shareholders	**1,579,174**	**1,384,655**

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.

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For the purposes of these financial statements, the Prospectus dated 28 April 2025 has been used.

Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than the average return of the Bloomberg Global Treasury Index Unhedged USD over any five-year period.

Investment policy

At least 70% of the fund is invested, directly or indirectly through derivatives, in investment grade debt securities. These securities can be issued or guaranteed by governments and their agencies, public authorities, quasi-sovereigns, and supranational bodies from anywhere in the world, including emerging markets. These securities can be denominated in any currency.

Other investments may include:

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

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

Investment approach

The fund is globally diversified across a range of government debt securities and issuers from a variety of sectors and geographies. The fund's investment approach is flexible and begins with an assessment of macroeconomic factors such as expectations on interest rates, inflation and economic growth.

On a regional and country-specific level, factors such as monetary and fiscal policies, capital flows, and political and regulatory environments are assessed. The result of this analysis helps to inform the country, currency allocations and duration of the portfolio.

Individual credit selection is carried out with the assistance of an in-house team of credit analysts to complement the fund manager's views.

Benchmark

Bloomberg Global Treasury Index Unhedged USD

The benchmark is a target against 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.

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.

Low risk — High risk

Typically lower rewards — Typically higher rewards

1	2	3	**4**	5	6	7

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 31 December 2025

Performance against objective

Over the reporting period, the M&G Global Government Bond fund delivered positive total returns (the combination of income and increase of capital) across all its sterling share classes. The fund outperformed its benchmark, the Bloomberg Global Treasury Index Unhedged USD, which returned 1.2% in the same period.

Over five years, the fund met its objective across all its share classes, which is to provide a higher total return (the combination of capital increase and income), net of the ongoing charge figure, than the average of its benchmark index over any five-year period. The index returned -3.0% per annum over the period.

Prior to 19 April 2021, the benchmark was the IA Global Bond Sector average. From 19 April 2021 to 5 March 2023, it was the IA Global Government Bond Sector average. Thereafter, it is the Bloomberg Global Treasury Index Unhedged USD. The performance of the sector and that of the index have been linked to reflect the change.

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 second half of 2025 was a period of notable divergence across major government bond markets, shaped by inflation trends, political developments and growing concerns about fiscal sustainability. While disinflation progressed in most developed economies, bond markets often reacted more strongly to fiscal signals and changing expectations for future interest rate moves, especially for longer-term bonds.

US government bonds experienced a year of strong performance overall, supported early in the period by signs of cooling economic momentum. Through July and August, hiring slowed sharply, unemployment drifted higher, and inflation stabilised around 2.7%. These developments strengthened expectations that the US Federal Reserve (Fed) would begin cutting interest rates, which it did in September; the first cut of the cycle.

However, later in the period, the Fed faced a challenge: the temporary government shutdown meant it lacked key data ahead of its December decision. Even so, it cut rates again, to 3.50-3.75%, citing weaker labour conditions. Despite renewed rate cuts, longer-dated Treasury yields rose into year-end (and prices fell as they move inversely to yields) as investors focused on widening fiscal deficits and the implications of large spending packages. Rising yields in longer dated bonds offset some of the gains in shorter maturities, but Treasuries nevertheless finished 2025 as one of the strongest performers in developed markets.

Eurozone government bonds faced increasing pressure in the second half of the year, despite inflation falling back to the European Central Bank's 2% target. Growth indicators were lacklustre, but markets became more attentive to fiscal dynamics, especially Germany's

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decision to lift the debt brake and raise defence spending. These moves sparked concerns about future supply of bonds, contributing to meaningful underperformance in the final quarter.

The ECB held rates steady at 2% from June onwards, signalling patience but acknowledging that inflation risks had diminished. Still, government bond yields rose into year-end in response to the fiscal picture, leaving European government bonds with negative total returns for 2025.

UK gilt markets saw a more supportive backdrop. Inflation eased steadily, from 3.8% in the summer to 3.2% by November, while growth remained subdued. This gave the Bank of England room to continue cutting interest rates, lowering the bank rate to 3.75% in December. Gilts responded positively, delivering strong annual returns.

Towards the end of the year, longer-term bond yields rose faster than shorter-term ones, driven partly by global fiscal concerns, but the domestic inflation trajectory helped anchor the market.

Japan stood out as the main detractor within developed markets (DM). Steady inflation and a more assertive fiscal stance contributed to a sell-off in Japanese government bonds. By December, the Bank of Japan raised its policy rate to 0.75%, the highest since 1995, and 10-year yields climbed above 2% for the first time since the late 1990s.

Investment activities

Over the review period, fund performance was supported mainly by our duration positioning (the sensitivity of the fund to changes in the interest rate) as well as our positions in emerging market (EM) government bonds. These markets continued to be a dependable source of strength for the fund, while DM bond exposures were more challenging. Our holdings in corporate credit contributed slightly positively, and currency positioning detracted modestly.

Duration was the largest contributor to performance over the review period. Earlier in the period, we kept the fund's interest-rate exposure broadly neutral (as compared to the benchmark), but as signs of slower global growth began to emerge, we allowed duration to increase gradually. This meant that, at times, the fund was positioned to benefit if government bond yields fell. Our decisions to hold slightly longer-dated bonds in selected markets, including the UK, and to adjust our exposure as conditions evolved, proved beneficial. Although rising bond yields made December more challenging, the overall effect of our duration positioning across the six months was strongly positive and contributed meaningfully to the fund's relative performance.

Our local currency EM holdings have consistently helped the fund throughout the period. Our positions in Mexico, Ukraine and Brazil were among the strongest contributors. These markets remained supportive and our holdings there made a strong contribution to overall performance. We managed these exposures actively: trimming some positions when prices rose strongly, rotating into better valued parts of the markets in countries such as Indonesia, and adding selectively to opportunities such as Czech local bonds. These decisions helped lock in gains and maintain exposure to areas where we continue to see value.

In contrast, DM government bonds were a drag on relative returns. Bond yields in many major markets moved higher over the period and prices moved lower, which negatively affected several of our positions. The largest detractors came from Japan, Germany and New Zealand, where bonds underperformed and market movements were less favourable for our positioning. We remained at a below-benchmark position in Japan throughout, which helped earlier in the period, but the overall impact from these DM markets was still negative over the six months. We also saw some periods where higher quality long-dated bond exposures in places like Australia and New Zealand gave back previous gains.

Our corporate bond exposure made a small positive contribution. Although corporate credit is not the main focus of the portfolio, selective positions supported returns. Activity here was modest, with some adjustments to supranational holdings and continued

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preference for higher-quality opportunities. Corporate bonds helped partly offset the weaker outcome from DM rates.

Currency positioning detracted slightly over the period. While some positions performed well at specific points, the overall effect was a small drag. Movements in the Japanese yen and certain EM currencies offset earlier gains, and we reduced exposures such as the Australian dollar and Mexican peso after periods of strength. Overall, currency trades added value at times but was a minor detractor over the review period.

Throughout the review period, we made several small but meaningful adjustments in line with our active management approach. These included switching between bonds with different maturity dates within countries to capture better relative value, trimming positions where market moves had been strong and responding to changes in interest-rate levels that affect different types of bonds.

In the UK, for example, we shifted long-dated index-linked holdings into the 2038 maturity on valuation grounds, while in EM we took profits where tender processes or strong rallies created attractive exit points.

Over the period we reduced some positions in Argentinian bonds denominated in US dollars, Indonesian local currency bonds and select Latin American exposures where liquidity and timing allowed us to do so efficiently.

Outlook

Overall, the six-month period highlighted the benefit of our emphasis on EM and active management across different parts of the bond markets and currencies. While DM government bonds were a headwind, and currency positioning detracted slightly, our EM exposure and selective credit positions were strong positives. The team continues to focus on maintaining a balanced and flexible portfolio, avoiding crowded areas of the market and seeking relative-value opportunities across countries and different parts of the bond market.

We believe this approach remains well suited to an environment where global bond markets are moving for different reasons and where selectivity is key. Our priority remains to position the fund in areas that offer resilience and attractive risk-adjusted opportunities, while continuing to manage duration, currency and country exposures actively.

Eva Sun-Wai
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.

M&G Global Government Bond Fund

Portfolio statement

Investments

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income	**55,686**	**92.28**	**95.20**
	Argentine peso denominated bonds	**22**	**0.04**	**0.03**
	Government bonds	**22**	**0.04**	**0.03**
ARS36,000,000	Argentina Treasury Bonds BONTE 15.5% 17/10/2026	22	0.04	
	Australian dollar denominated bonds	**1,577**	**2.61**	**2.69**
	Government bonds	**1,577**	**2.61**	**2.69**
AUD2,400,000	Australia Government Bonds 1.75% 21/06/2051	819	1.36	
AUD1,524,000	Treasury Corp. of Victoria 2% 17/09/2035	758	1.25	
	Brazilian real denominated bonds	**1,346**	**2.23**	**1.63**
	Government bonds	**1,346**	**2.23**	**1.63**
BRL7,955,000	Brazil Notas do Tesouro Nacional 10% 01/01/2029	1,346	2.23	
	Canadian dollar denominated bonds	**808**	**1.34**	**1.96**
	Government bonds	**808**	**1.34**	**1.96**
CAD1,100,000	Canada Government Bonds 3.25% 01/11/2026	808	1.34	
	Chinese yuan denominated bonds	**3,180**	**5.27**	**5.27**
	Corporate bonds	**3,180**	**5.27**	**5.27**
CNY5,000,000	Asian Development Bank 2.5% 15/02/2027	721	1.20	
CNY3,000,000	International Bank for Reconstruction & Development 2.25% 19/01/2029	434	0.72	
CNY3,000,000	International Bank for Reconstruction & Development 2.5% 02/08/2033	440	0.73	
CNY8,000,000	International Bank for Reconstruction & Development 2.75% 19/01/2027	1,155	1.91	
CNY3,000,000	International Bank for Reconstruction & Development 2.895% 07/02/2026	430	0.71	
	Colombian peso denominated bonds	**375**	**0.62**	**0.70**
	Government bonds	**375**	**0.62**	**0.70**
COP1,550,000,000	Bogota Distrito Capital 9.75% 26/07/2028	375	0.62	
	Czech koruna denominated bonds	**1,705**	**2.83**	**0.59**
	Government bonds	**1,705**	**2.83**	**0.59**
CZK34,200,000	Czech Republic Government Bonds 4.9% 14/04/2034	1,705	2.83	
	Euro denominated bonds	**14,407**	**23.87**	**25.99**
	Government bonds	**14,407**	**23.87**	**25.99**
EUR206,000	Bulgaria Government International Bonds 4.125% 07/05/2038	244	0.41	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	Euro denominated bonds (continued)			
	Government bonds (continued)			
EUR800,000	Bundesobligation 2.5% 11/10/2029	945	1.57	
EUR500,000	Bundesrepublik Deutschland Bundesanleihe 0.25% 15/08/2028	559	0.93	
EUR2,455,188	Bundesrepublik Deutschland Bundesanleihe 2.6% 15/05/2041	2,663	4.41	
EUR700,000	Cyprus Government International Bonds 3.25% 27/06/2031	841	1.39	
EUR1,091,069	French Republic Government Bonds OAT 3.2% 25/05/2035	1,251	2.07	
EUR3,500,000	German Treasury Bills 0% 15/07/2026	4,069	6.74	
EUR274,000	Italy Buoni Poliennali Del Tesoro 3.25% 01/03/2038	308	0.51	
EUR780,000	Italy Buoni Poliennali Del Tesoro 3.85% 01/10/2040	910	1.51	
EUR240,000	Lithuania Government International Bonds 3.875% 14/06/2033	291	0.48	
EUR400,000	Mexico Government International Bonds 2.25% 12/08/2036	376	0.62	
EUR748,000	Republic of Austria Government Bonds 0.9% 20/02/2032	787	1.30	
EUR441,000	Romania Government International Bonds 5.875% 11/07/2032	540	0.90	
EUR437,000	Spain Government Bonds 1% 30/07/2042	339	0.56	
EUR370,000	Spain Government Bonds 1.9% 31/10/2052	284	0.47	
	Indian rupee denominated bonds	**644**	**1.07**	**0.76**
	Corporate bonds	**644**	**1.07**	**0.76**
INR25,000,000	Asian Infrastructure Investment Bank 6.65% 30/06/2033	273	0.45	
INR33,500,000	European Bank for Reconstruction & Development 6.75% 14/03/2031	371	0.62	
	Indonesian rupiah denominated bonds	**869**	**1.44**	**2.10**
	Government bonds	**869**	**1.44**	**2.10**
IDR7,795,000,000	Indonesia Treasury Bonds 6.625% 15/02/2034	485	0.80	
IDR5,590,000,000	Indonesia Treasury Bonds 8.375% 15/03/2034	384	0.64	
	Japanese yen denominated bonds	**5,294**	**8.77**	**9.22**
	Government bonds	**5,294**	**8.77**	**9.22**
JPY319,300,000	Japan Government Forty Year Bonds 1.9% 20/03/2053	1,503	2.49	
JPY137,000,000	Japan Government Forty Year Bonds 2.2% 20/03/2050	723	1.20	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	Japanese yen denominated bonds (continued)			
	Government bonds (continued)			
JPY263,750,000	Japan Government Thirty Year Bonds 2.3% 20/03/2040	1,639	2.71	
JPY224,200,000	Japan Government Two Year Bonds 0.4% 01/07/2026	1,429	2.37	
	Malaysian ringgit denominated bonds	**1,301**	**2.16**	**1.65**
	Government bonds	**1,301**	**2.16**	**1.65**
MYR5,000,000	Malaysia Government Bonds 4.254% 31/05/2035	1,301	2.16	
	Mexican peso denominated bonds	**675**	**1.12**	**1.70**
	Government bonds	**675**	**1.12**	**1.70**
MXN6,065,000	Mexico Bonos 5.75% 05/03/2026	337	0.56	
MXN6,500,000	Mexico Bonos 8.5% 18/11/2038	338	0.56	
	New Zealand dollar denominated bonds	**1,654**	**2.74**	**2.35**
	Government bonds	**1,654**	**2.74**	**2.35**
NZD4,339,000	New Zealand Government Bonds 1.75% 15/05/2041	1,654	2.74	
	Norwegian krone denominated bonds	**2,276**	**3.77**	**3.42**
	Government bonds	**2,276**	**3.77**	**3.42**
NOK3,200,000	Norway Government Bonds 3% 15/08/2033	296	0.49	
NOK20,615,000	Norway Government Bonds 3.625% 13/04/2034	1,980	3.28	
	Philippines peso denominated bonds	**640**	**1.06**	**1.03**
	Government bonds	**640**	**1.06**	**1.03**
PHP38,000,000	Philippines Government International Bonds 6.25% 14/01/2036	640	1.06	
	South African rand denominated bonds	**1,062**	**1.76**	**1.32**
	Government bonds	**1,062**	**1.76**	**1.32**
ZAR18,273,932	Republic of South Africa Government Bonds 8.75% 31/01/2044	1,062	1.76	
	Sterling denominated bonds	**3,477**	**5.76**	**7.19**
	Government bonds	**3,477**	**5.76**	**7.19**
GBP209,000	Mexico Government International Bonds 5.625% 19/03/2114	215	0.36	
GBP831,491	U.K. Gilts 1.25% 31/07/2051	497	0.82	
GBP665,281	U.K. Inflation-Linked Gilts 0.125% 22/03/2046	954	1.58	
GBP1,329,590	U.K. Inflation-Linked Gilts 1.75% 22/09/2038	1,811	3.00	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Fixed income (continued)			
	Uruguayan peso denominated bonds	**644**	**1.07**	**1.38**
	Government bonds	**644**	**1.07**	**1.38**
UYU16,963,711	Uruguay Government International Bonds Inflation-Linked 3.875% 02/07/2040	644	1.07	
	US dollar denominated bonds	**13,730**	**22.75**	**24.22**
	Corporate bonds	**0**	**0.00**	**0.04**
	Government bonds	**13,730**	**22.75**	**24.18**
USD18,715	Seychelles International Bonds 8% 01/01/2026	19	0.03	
USD4,262,800	U.S. Treasury Bonds 4.375% 15/11/2039	4,236	7.02	
USD976,900	U.S. Treasury Inflation-Indexed Bonds 1% 15/02/2049	914	1.52	
USD3,550,800	U.S. Treasury Inflation-Indexed Notes 1.125% 15/01/2033	3,737	6.19	
USD1,435,000	U.S. Treasury Inflation-Indexed Notes 1.75% 15/01/2034	1,516	2.51	
USD1,317,500	U.S. Treasury Notes 4.25% 15/11/2034	1,339	2.22	
USD54,327	Ukraine Government International Bonds 3% 01/02/2030	32	0.05	
USD203,013	Ukraine Government International Bonds 3% 01/02/2034	96	0.16	
USD171,560	Ukraine Government International Bonds 3% 01/02/2035	97	0.16	
USD142,967	Ukraine Government International Bonds 3% 01/02/2036	80	0.13	
USD397,822	Ukraine Government International Bonds 4.5% 01/02/2036	233	0.39	
USD1,499,400	Vietnam Government International Bonds 5.5% 12/03/2028	1,431	2.37	
	Derivatives	**(42)**	**(0.07)**	**(0.21)**
	Forwards	**(201)**	**(0.33)**	**(0.41)**
	Bought AUD1,335,000 for CHF696,454 Settlement 11/02/2026	10	0.02	
	Bought CNY5,850,000 for USD826,008 Settlement 11/02/2026	10	0.02	
	Bought EUR1,191,885 for USD1,385,553 Settlement 11/02/2026	17	0.03	
	Bought GBP282,949 for USD372,612 Settlement 11/02/2026	8	0.01	
	Bought IDR7,000,000,000 for USD418,498 Settlement 11/02/2026	0	0.00	
	Bought JPY266,500,000 for CHF1,391,152 Settlement 12/02/2026	(55)	(0.09)	
	Bought JPY360,000,000 for EUR2,026,748 Settlement 12/02/2026	(79)	(0.13)	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Derivatives (continued)			
	Forwards (continued)			
	Bought JPY80,333,575 for USD520,794 Settlement 12/02/2026	(6)	(0.01)	
	Bought KRW1,640,000,000 for USD1,132,769 Settlement 11/02/2026	4	0.01	
	Bought TRY17,500,000 for USD385,371 Settlement 11/02/2026	10	0.02	
	Sold AUD1,150,000 for USD752,943 Settlement 11/02/2026	(16)	(0.03)	
	Sold CZK10,260,000 for USD489,609 Settlement 11/02/2026	(9)	(0.01)	
	Sold EUR376,599 for USD440,006 Settlement 11/02/2026	(3)	(0.01)	
	Sold EUR65,000 for USD76,445 Settlement 12/02/2026	0	0.00	
	Sold GBP1,918,221 for USD2,528,819 Settlement 11/02/2026	(52)	(0.09)	
	Sold JPY26,930,000 for USD174,223 Settlement 12/02/2026	2	0.00	
	Sold MYR5,420,000 for USD1,302,572 Settlement 11/02/2026	(36)	(0.06)	
	Sold NOK15,610,000 for USD1,545,352 Settlement 11/02/2026	(7)	(0.01)	
	Sold NZD705,000 for USD399,901 Settlement 11/02/2026	(7)	(0.01)	
	Sold TWD12,600,000 for USD408,971 Settlement 11/02/2026	8	0.01	
	Futures	**24**	**0.04**	**0.09**
34	CBOT 5 Year U.S. Treasury Notes Futures Mar 2026	21	0.03	
3	CBOT U.S. Long Bond Futures Mar 2026	3	0.01	
	Credit default swaps	**12**	**0.02**	**0.08**
USD(2,375,000)	CDX.EM.S43 20/06/2030	12	0.02	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 $'000	as at 31.12.25 %	as at 30.06.25 %
	Derivatives (continued)			
	Interest rate swaps	**123**	**0.20**	**0.03**
JPY495,000,000	Pay 0.7% Receive VAR 15/04/2030	94	0.15	
JPY240,000,000	Pay 0.949% Receive VAR 26/05/2030	29	0.05	
Total portfolio		**55,644**	**92.21**	**94.99**
Net other assets/(liabilities)		**4,701**	**7.79**	**5.01**
Net assets attributable to shareholders		**60,345**	**100.00**	**100.00**

M&G Global Government Bond Fund

Portfolio statement

Top ten portfolio transactions for the six months to 31 December 2025

Largest purchases	$'000
German Treasury Bills 0% 15/07/2026	4,022
Japan Government Two Year Bonds 0.4% 01/07/2026	3,237
New Zealand Government Bonds 1.75% 15/05/2041	2,280
U.K. Inflation-Linked Gilts 1.75% 22/09/2038	1,988
Czech Republic Government Bonds 4.9% 14/04/2034	1,227
U.K. Gilts 1.25% 31/07/2051	1,095
Japan Government Forty Year Bonds 1.9% 20/03/2053	575
U.S. Treasury Bonds 4.375% 15/11/2039	567
Japan Government Thirty Year Bonds 2.3% 20/03/2040	512
Indonesia Treasury Bonds 6.625% 15/02/2034	483
Other purchases	570
Total purchases	**16,556**

Largest sales	$'000
Bundesrepublik Deutschland Bundesanleihe 1% 15/08/2025	5,094
Japan Government Two Year Bonds 0.005% 01/10/2025	3,301
U.K. Gilts 4.125% 29/01/2027	1,884
Deutsche Bundesrepublik Bonds Inflation-Linked 0.1% 15/04/2026	1,863
New Zealand Government Bonds 2.75% 15/05/2051	1,848
U.S. Treasury Notes 4.25% 15/11/2034	1,753
Japan Government Two Year Bonds 0.4% 01/07/2026	1,680
Indonesia Treasury Bonds 6.5% 15/07/2030	1,315
U.S. Treasury Notes 0.875% 30/06/2026	1,240
Bundesrepublik Deutschland Bundesanleihe 0.25% 15/08/2028	1,240
Other sales	16,057
Total sales	**37,275**

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

To give an indication of the performance of the fund, the following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested and shown as net of operating charge. Please refer to '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	+1.9	-1.0	-2.9	+2.1
Class 'A' Accumulation	+1.9	-1.0	-2.9	+2.1
Class 'I' Income	+2.1	-0.6	-2.5	+2.6
Class 'I' Accumulation	+2.1	-0.6	-2.5	+2.6
Class 'R' Income	+2.0	-0.9	-2.7	+2.3
Class 'R' Accumulation	+2.0	-0.8	-2.7	+2.3
Benchmark	**+1.2**	**-1.3**	**-3.0**	**+1.4**

[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 4 October 1999.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	1,111	1,239	1,333
Number of shares	1,192,088	1,303,516	1,448,924
Closing NAV per share (UK p)	69.27	69.37	72.67
Operating charges (%)	0.90	0.90	0.90

Sterling Class 'A' Accumulation shares

The share class was launched on 4 October 1999.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	6,368	7,004	8,358
Number of shares	3,745,027	4,122,072	5,310,534
Closing NAV per share (UK p)	126.36	123.99	124.35
Operating charges (%)	0.90	0.90	0.90

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	7,641	8,045	10,651
Number of shares	679,504	702,933	965,813
Closing NAV per share (UK p)	835.77	835.26	871.38
Operating charges (%)	0.50	0.50	0.50

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	44,278	63,391	74,509
Number of shares	2,734,214	3,925,260	5,000,930
Closing NAV per share (UK p)	1,203.52	1,178.57	1,177.18
Operating charges (%)	0.50	0.50	0.50

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	480	485	566
Number of shares	437,123	433,832	523,809
Closing NAV per share (UK p)	81.59	81.65	85.39
Operating charges (%)	0.75	0.75	0.75

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV ($'000)	467	636	675
Number of shares	296,650	404,908	464,517
Closing NAV per share (UK p)	116.91	114.63	114.78
Operating charges (%)	0.75	0.75	0.75

Financial statements and notes

Financial statements

Statement of total return

for the six months to 31 December	2025		2024	
	$'000	$'000	$'000	$'000
Income				
Net capital gains/(losses)		(1,158)		(752)
Revenue	1,413		2,107	
Expenses	(193)		(259)	
Interest payable and similar charges	0		(1)	
Net revenue/(expense) before taxation	1,220		1,847	
Taxation	(9)		(7)	
Net revenue/(expense) after taxation		1,211		1,840
Total return before distributions		**53**		**1,088**
Distributions		(1,245)		(1,874)
Change in net assets attributable to shareholders from investment activities		**(1,192)**		**(786)**

Statement of change in net assets attributable to shareholders

for the six months to 31 December	2025		2024	
	$'000	$'000	$'000	$'000
Opening net assets attributable to shareholders		**80,800**		**96,092**
Amounts received on issue of shares	5,378		5,432	
Amounts paid on cancellation of shares	(25,558)		(18,443)	
		(20,180)		(13,011)
Dilution adjustments		21		8
Change in net assets attributable to shareholders from investment activities (see above)		(1,192)		(786)
Retained distributions on Accumulation shares		896		1,475
Closing net assets attributable to shareholders		**60,345**		**83,778**

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	31 December 2025 $'000	30 June 2025 $'000
Assets		
Fixed assets		
Investments	55,914	77,216
Current assets		
Debtors	847	1,116
Cash and bank balances	2,080	2,345
Cash equivalents	2,231	1,621
Total assets	**61,072**	**82,298**
Liabilities		
Investment liabilities	(270)	(468)
Creditors		
Bank overdrafts	0	(358)
Overdrawn positions at futures clearing houses and collateral manager	(116)	(21)
Distribution payable	(191)	(198)
Other creditors	(150)	(453)
Total liabilities	**(727)**	**(1,498)**
Net assets attributable to shareholders	**60,345**	**80,800**

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 28 April 2025 has been used.

Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the FTSE All-Share 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, listed or do most of their business in the United Kingdom.

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's approach to selecting companies focuses on companies with the potential for recovery, for example: companies where there has been a significant share price decline; companies undergoing significant change which have the potential to recover and develop over the long-term; companies that need support from investors to develop the business and where the long-term prospects are undervalued by the market.

The recovery cycle consists of four stages: unloved, stabilising, recovering well and mature ('recovery companies'). When the fund manager invests in a company for the first time, they will seek to invest when the company is in one of the first three stages of the recovery process. Once the fund manager has invested in a company, they can increase the fund's investments in that company at any stage of the recovery cycle. This approach to investing in recovery companies aims to maximise the fund's returns from stock selection.

In seeking to outperform the benchmark, the fund manager can also invest in companies in the benchmark which are classified as 'non-recovery companies' (ie, those companies not in the recovery cycle) with the aim of reducing the risk of underperforming the benchmark. The fund manager only expects to invest in non-recovery companies to a limited extent and such investments will not exceed 20% of the fund's Net Asset Value.

When analysing a company, the fund manager focuses on three key factors: people, strategy and cashflow.

The investment approach means the fund manager is prepared to take a contrarian view and consider areas that are out of favour with other investors. To take this contrarian view, the fund manager focuses on company management, their turnaround strategy and the businesses' ability to generate cashflow now or in the future.

The fund manager expects individual cases of companies recovering to be the main driver of performance rather than individual sectors and the macroeconomic environment.

The fund manager takes a long-term view with a typical holding period of three years or more.

Benchmark

FTSE All-Share 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.

Authorised Corporate Director's Report

The fund is actively managed.

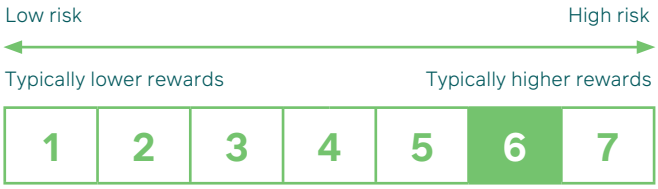
The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents.

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.

Investment review

For the six months ended 31 December 2025

Performance against objective

The fund delivered positive returns across all share classes over the reporting period, finishing ahead of its benchmark, the FTSE All-Share Index, which returned 13.7% over the same period.

The fund's objective is to provide a higher total return (net of the ongoing charge figure) than that of the FTSE All-Share Index over any five-year period. The fund has underperformed the FTSE All-Share Index in total return terms (the combination of income and growth of capital) across all its share classes over five years, thereby missing its objective. The index returned 11.7% pa in sterling terms in the five years to 31 December 2025.

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 UK equity market entered the second half of 2025 riding a wave of cautious optimism, a growing conviction that the worst of the inflation-shock had passed, and that policy tailwinds might finally align for domestic investors. With headline inflation gradually cooling and policy momentum shifting, the outlook for the equity market gained fresh traction.

Towards the end of the year we had the Chancellor's Budget, which set out an ambition to restore a sense of fiscal discipline and market confidence. The introduction of a restructured Individual Savings Account (ISA), with £8,000 of the annual allowance now directed specifically toward investment, is a meaningful signal. It points towards a more vibrant equity culture, one in which household savings are channelled into productive UK assets. That is something we have long believed is essential if the domestic market is to thrive and, ultimately, sustain a healthy pipeline of future UK-listed businesses.

In our view, the Budget moved the UK in the right direction on fiscal credibility, but it sent mixed and sometimes conflicting messages to investors. The task now is to build a policy framework that genuinely rewards risk-taking, supports innovation and encourages long-term capital, areas where the UK has all the raw ingredients, but where consistency and clarity will be vital if the ambitions of this government are to translate into durable economic and market strength.

Against that backdrop, the fund outperformed the FTSE All-Share index over the review period. The

Authorised Corporate Director's Report

majority of the outperformance was driven by an above benchmark position (overweight) to healthcare and a below benchmark position (underweight) within the technology sector and stockpicking in the financial sector. Within healthcare, our overweight positions in OXB (formerly Oxford Biomedica) and Mesoblast supported relative outperformance, similarly a lack of exposure to Relx helped relative performance as fears of AI bypassing traditional channels put pressure on the equity story. Our underweights to larger names in the index such as London Stock Exchange Group (LSEG) and lack of exposure to 3i were also a tailwind. This was driven by a reversal in some of the more momentum-driven highly rated areas of the market.

At the individual stock level, some of our top contributors were our overweight holdings in OXB and Mesoblast. In the case of OXB the company showed clear signs it was turning a corner. Revenues and customer orders both increased, giving investors better visibility on future growth. At the same time, demand for its gene-therapy manufacturing services improved, reinforcing confidence that the business is moving closer to sustainable profitability. Mesoblast was another strong contributor, following a positive update on quarterly sales and strong demand for its newly FDA-approved product, Ryoncil, projecting over $30m in revenue for the December quarter. Ryoncil's FDA approval is a transformational milestone for Mesoblast, marking a significant shift from development to commercialisation, with extensive payor coverage now in place across the U.S. The company now plans to leverage the roadmap for Ryoncil's success to pursue additional FDA approvals in cardiovascular and back pain markets, reinforcing its long-term growth strategy. We remain very happy holders.

Other strong contributors to performance included rare earth mineral miner Pensana and clean energy provider Ceres Power. Pensana has benefitted from increased demand for rare earth minerals while reporting strong progress in its Longonjo project in Angola. Ceres announced a new licensing deal with Weichai over the fourth quarter, signalling a shift from development to commercial production of its fuel-cell technology, a key milestone that boosts confidence in future revenues and progress toward profitability.

Overall, we are pleased with the progress the fund has made over the period under review. Many of our companies have executed well in a challenging environment and this has been reflected in the performance of the fund.

Investment activities

In terms of portfolio activity, we initiated several new positions where we found the recovery opportunity particularly compelling. Specifically, we built a position in 4imprint, the leading distributor of promotional products in the US. The business has consistently demonstrated strong returns and cash generation, with a model that has proven resilient through cycles and a very strong balance sheet – with no debt and significant cash levels. As US small and medium-sized businesses recover, we see scope for continued market share gains and steady growth, making 4imprint a good fit for the fund. We initiated a position in LSEG, following a more challenging year for the company as the market grew concerned over AI and next-generation data platforms eroding the structural advantages of traditional exchange and analytics businesses. Workspace and the broader data-services division came under scrutiny amid fears that AI-native tools could displace legacy subscription revenues. However, we see these concerns as overstated, LSEG's deep integration within client workflows, long-term data licensing agreements, and partnerships with major technology firms (notably Microsoft) make it well positioned, in our view, to harness AI rather than be disrupted by it. The valuation and recovery story therefore looks compelling. We also bought a position in Tate & Lyle, a speciality food and beverage solutions business benefiting from structural growth in healthier-nutrition ingredients. The shares have suffered as the company has delivered a succession of downgrades to profit forecasts, but the valuation has fallen at the same time as those downgrades and so the long-term value opportunity now looks very interesting with the balance of share-price risk to the upside.

Authorised Corporate Director's Report

We sold our position in Dalata Hotel Group following a bid for the company. We also exited our positions in BAE Systems and Balfour Beatty and recycled into more attractive recovery opportunities.

Outlook

We remain focused on identifying companies where recovery potential exists but is not yet fully recognised by the market, and we are encouraged by the operational progress delivered by a number of the fund's holdings over the six-month period to the end of December 2025. In many cases, balance sheets have been strengthened, management teams refocused and strategic change is beginning to translate into improving fundamentals.

We believe the outlook for the UK remains constructive. UK equities have delivered competitive returns relative to global peers this year, driven by a different and broader set of influences than the narrow, AI-led rally that has dominated global markets. Rather than relying on a small group of mega-cap technology stocks, UK performance has been supported by more diverse sector leadership, corporate self-help and ongoing merger and acquisition activity. This environment is particularly supportive for recovery investing, where change and re-rating potential matter most.

Valuation remains a key driver of the opportunity set. Many UK companies continue to trade at significant discounts to global peers, despite improving profitability, cash generation and capital discipline. In several cases, companies are actively reshaping their businesses through disposals, cost control and targeted reinvestment, while also returning excess capital to shareholders. These actions are often overlooked in an environment still coloured by scepticism towards the UK market.

For patient investors, this creates a compelling backdrop. The M&G Recovery Fund is positioned in businesses where expectations remain low but outcomes are improving. As confidence gradually rebuilds and evidence of recovery becomes harder to ignore, we believe there is meaningful scope for valuations to normalise. History suggests that such periods can offer attractive long-term returns, and we remain optimistic about the opportunities ahead for the fund.

Michael Stiasny
Fund manager

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

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

Portfolio statement

Investments

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Equities	**1,008,600**	**100.36**	**101.00**
	Banks	**157,185**	**15.64**	**12.93**
6,700,000	HSBC Holdings PLC	78,444	7.80	
38,060,000	Lloyds Banking Group PLC	37,367	3.72	
3,825,000	NatWest Group PLC	24,885	2.48	
905,000	Standard Chartered PLC	16,489	1.64	
	Basic resources	**72,631**	**7.23**	**8.70**
38,761,085	African Minerals Ltd.[a]	0	0.00	
437,000	Anglo American PLC	13,438	1.34	
15,769,231	Canyon Resources Ltd.	1,371	0.14	
118,000	First Quantum Minerals Ltd.	2,334	0.23	
6,967,772	Kenmare Resources PLC	17,245	1.72	
34,277,238	Pensana PLC	29,684	2.95	
143,000	Rio Tinto PLC	8,559	0.85	
254,159,091	Troy Resources Ltd.[a]	0	0.00	
	Chemicals	**17,235**	**1.71**	**2.04**
447,000	Johnson Matthey PLC	9,593	0.95	
1,163,195	Victrex PLC	7,642	0.76	
	Construction and materials	**25,012**	**2.49**	**4.42**
4,750,000	Kier Group PLC	10,545	1.05	
5,532,000	Marshalls PLC	9,969	0.99	
15,951,077	Severfield PLC	4,498	0.45	
	Consumer products and services	**12,292**	**1.22**	**1.66**
934,000	Burberry Group PLC	11,862	1.18	
3,820,000	Videndum PLC	430	0.04	
	Energy	**90,059**	**8.96**	**8.81**
12,000,000	AFC Energy PLC[b]	1,212	0.12	
8,915,000	BP PLC	38,495	3.83	
3,775,622	Ceres Power Holdings PLC	7,936	0.79	
1,550,000	Shell PLC	42,416	4.22	
	Financial services	**33,545**	**3.34**	**2.43**
3,050,000	Investacc Group Ltd.	5,642	0.56	
7,333,000	IP Group PLC	4,260	0.42	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Equities (continued)			
	Financial services (continued)			
87,000	London Stock Exchange Group PLC	7,790	0.78	
1,145,000	St. James's Place PLC	15,853	1.58	
	Food, beverage and tobacco	**77,945**	**7.76**	**6.59**
748,000	Diageo PLC	11,987	1.19	
1,308,000	Imperial Brands PLC	40,940	4.08	
6,797,830	Premier Foods PLC	11,665	1.16	
4,679,910	REA Holdings PLC	5,663	0.56	
2,055,000	Tate & Lyle PLC	7,690	0.77	
	Health care	**195,108**	**19.41**	**16.07**
39,868,814	Alizyme PLC[a]	0	0.00	
328,000	AstraZeneca PLC	45,015	4.48	
51,233,836	Creo Medical Group PLC[b]	5,021	0.50	
444,000	Genus PLC	11,522	1.14	
1,963,000	GSK PLC	35,815	3.56	
3,506,500	HUTCHMED China Ltd.[b]	6,905	0.69	
30,699,926	Mesoblast Ltd.	41,496	4.13	
1,502,732	Mesoblast Ltd. Warrants 20/03/2028	0	0.00	
67,254,901	Ondine Biomedical, Inc.[b]	5,717	0.57	
5,524,282	OXB	33,753	3.36	
7,730,810	Oxford Nanopore Technologies PLC	9,864	0.98	
	Industrial goods and services	**70,801**	**7.04**	**5.01**
13,100,000	Coats Group PLC	11,017	1.10	
2,615,000	QinetiQ Group PLC	11,517	1.14	
313,230	Renishaw PLC	10,994	1.09	
3,200,008	Rentokil Initial PLC	14,317	1.42	
1,814,667	Rosebank Industries PLC[b]	6,242	0.62	
1,319,000	Travis Perkins PLC	8,402	0.84	
2,100,000	Vesuvius PLC	8,312	0.83	
	Insurance	**51,804**	**5.15**	**8.26**
1,516,000	Beazley PLC	12,628	1.25	
744,000	Hiscox Ltd.	10,557	1.05	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Equities (continued)			
	Insurance (continued)			
2,000,000	Phoenix Group Holdings PLC	14,650	1.46	
1,220,500	Prudential PLC	13,969	1.39	
	Media	**42,505**	**4.23**	**4.48**
251,000	4imprint Group PLC	9,639	0.96	
1,195,837	Informa PLC	10,571	1.05	
14,100,000	ITV PLC	11,604	1.15	
10,430,222	Reach PLC	5,705	0.57	
24,927,382	S4 Capital PLC	4,986	0.50	
	Personal care, drug and grocery stores	**47,961**	**4.77**	**5.12**
3,570,000	Marks & Spencer Group PLC	11,742	1.17	
366,500	Reckitt Benckiser Group PLC	22,019	2.19	
292,000	Unilever PLC	14,200	1.41	
	Real estate	**9,315**	**0.93**	**1.74**
2,943,143	Great Portland Estates PLC	9,315	0.93	
	Retail	**7,991**	**0.80**	**0.82**
7,973,350	JD Sports Fashion PLC	6,706	0.67	
53,546,125	Mothercare PLC[b]	1,285	0.13	
	Technology	**40**	**0.00**	**0.65**
2,872,000	Watchstone Group PLC[a]	40	0.00	
	Telecommunications	**15,243**	**1.52**	**1.69**
8,273,000	BT Group PLC	15,243	1.52	
	Travel and leisure	**26,598**	**2.65**	**3.48**
2,628,799	Entain PLC	20,216	2.01	
28,041,609	Mobico Group PLC	6,382	0.64	
	Utilities	**55,330**	**5.51**	**6.10**
1,190,000	Drax Group PLC	9,954	0.99	
2,905,000	National Grid PLC	33,277	3.31	
2,285,000	Pennon Group PLC	12,099	1.21	

Portfolio statement

Investments (continued)

Holding	as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
Total portfolio	**1,008,600**	**100.36**	**101.00**
Net other assets/(liabilities)	**(3,624)**	**(0.36)**	**(1.00)**
Net assets attributable to shareholders	**1,004,976**	**100.00**	**100.00**

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

[a] Suspended/delisted.

[b] AIM quoted.

Portfolio statement

Top ten portfolio transactions for the six months to 31 December 2025

Largest purchases	£'000
4imprint Group PLC	9,662
Tate & Lyle PLC	8,176
London Stock Exchange Group PLC	8,150
Diageo PLC	7,872
Aviva PLC	7,470
Pensana PLC	5,000
Rentokil Initial PLC	4,823
Coats Group PLC	4,616
Marshalls PLC	4,598
Mobico Group PLC	4,529
Other purchases	43,667
Total purchases	**108,563**

Largest sales	£'000
Direct Line Insurance Group PLC	14,420
Balfour Beatty PLC	12,265
Aviva PLC	10,159
Prudential PLC	9,041
BAE Systems PLC	8,404
Pensana PLC	8,073
Informa PLC	7,682
Kier Group PLC	7,092
First Quantum Minerals Ltd.	6,582
Fund Technologies PLC	5,949
Other sales	59,758
Total sales	**149,425**

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

To give an indication of the performance of the fund, the following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested and shown as net of operating charge. Please refer to '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	+14.8	+12.2	+7.3	+4.3
Class 'A' Accumulation	+14.8	+12.2	+7.3	+4.3
Class 'C' Income	+15.4	+13.4	+8.5	+5.6
Class 'C' Accumulation	+15.4	+13.4	+8.5	+5.6
Class 'I' Income	+15.0	+12.7	+7.7	+4.9
Class 'I' Accumulation	+15.0	+12.7	+7.7	+4.9
Class 'PP' Income	+15.0	+12.8	+7.9	n/a
Class 'PP' Accumulation	+15.0	+12.8	+7.9	n/a
Class 'R' Income	+14.8	+12.4	+7.5	+4.6
Class 'R' Accumulation	+14.8	+12.4	+7.5	+4.6
Benchmark	**+13.7**	**+13.6**	**+11.7**	**+8.4**

[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 27 June 1977.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	274,149	252,079	245,193
Number of shares	206,139,548	214,710,218	228,470,168
Closing NAV per share (UK p)	132.99	117.40	107.32
Operating charges (%)	1.09	1.08	1.10

Sterling Class 'A' Accumulation shares

The share class was launched on 23 May 1969.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	262,748	241,495	249,998
Number of shares	66,816,240	70,440,541	82,530,937
Closing NAV per share (UK p)	393.24	342.84	302.91
Operating charges (%)	1.09	1.08	1.10

Sterling Class 'C' Income shares

Sterling Class 'C' shares are not generally available to all investors.

The share class was launched on 1 July 2004.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	60,172	53,580	50,421
Number of shares	40,026,427	40,597,655	42,255,496
Closing NAV per share (UK p)	150.33	131.98	119.32
Operating charges (%)	0.00	0.00	0.02

Sterling Class 'C' Accumulation shares

Sterling Class 'C' shares are not generally available to all investors.

The share class was launched on 1 July 2004.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	18,486	16,274	55,868
Number of shares	3,509,500	3,563,205	13,996,354
Closing NAV per share (UK p)	526.75	456.72	399.17
Operating charges (%)	0.00	0.00	0.02

Sterling Class 'I' Income shares

The share class was launched on 15 January 2010.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	61,957	56,127	58,205
Number of shares	44,311,079	45,563,294	51,900,587
Closing NAV per share (UK p)	139.82	123.18	112.15
Operating charges (%)	0.69	0.68	0.70

Sterling Class 'I' Accumulation shares

The share class was launched on 15 January 2010.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	256,230	228,984	233,860
Number of shares	59,220,737	60,826,559	70,592,083
Closing NAV per share (UK p)	432.67	376.45	331.28
Operating charges (%)	0.69	0.68	0.70

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	3,965	3,739	3,276
Number of shares	3,555,332	3,807,261	3,667,721
Closing NAV per share (UK p)	111.52	98.20	89.31
Operating charges (%)	0.59	0.58	0.60

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	5,733	5,418	3,546
Number of shares	4,571,187	4,968,224	3,698,089
Closing NAV per share (UK p)	125.41	109.06	95.87
Operating charges (%)	0.59	0.58	0.60

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	8,574	7,898	7,634
Number of shares	7,303,182	7,626,955	8,076,015
Closing NAV per share (UK p)	117.40	103.56	94.53
Operating charges (%)	0.94	0.93	0.95

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	52,962	49,358	48,362
Number of shares	32,756,214	35,041,985	38,918,480
Closing NAV per share (UK p)	161.68	140.85	124.27
Operating charges (%)	0.94	0.93	0.95

Financial statements and notes

Financial statements

Statement of total return

for the six months to 31 December	2025		2024	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		125,467		47,976
Revenue	12,771		14,295	
Expenses	(4,320)		(4,004)	
Interest payable and similar charges	(13)		(7)	
Net revenue/(expense) before taxation	8,438		10,284	
Taxation	0		(3)	
Net revenue/(expense) after taxation		8,438		10,281
Total return before distributions		**133,905**		**58,257**
Distributions		(10,203)		(10,296)
Change in net assets attributable to shareholders from investment activities		**123,702**		**47,961**

Statement of change in net assets attributable to shareholders

for the six months to 31 December	2025		2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		**914,952**		**956,363**
Amounts received on issue of shares	12,745		8,196	
Amounts paid on cancellation of shares	(51,357)		(112,304)	
		(38,612)		(104,108)
Dilution adjustments		27		212
Change in net assets attributable to shareholders from investment activities (see above)		123,702		47,961
Retained distributions on Accumulation shares		4,871		4,831
Unclaimed distributions		36		41
Closing net assets attributable to shareholders		**1,004,976**		**905,300**

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	31 December 2025 £'000	30 June 2025 £'000
Assets		
Fixed assets		
Investments	1,008,600	924,063
Current assets		
Debtors	1,393	3,080
Cash and bank balances	1,502	2,098
Cash equivalents	0	288
Total assets	**1,011,495**	**929,529**
Liabilities		
Creditors		
Distribution payable	(5,119)	(7,785)
Other creditors	(1,400)	(6,792)
Total liabilities	**(6,519)**	**(14,577)**
Net assets attributable to shareholders	**1,004,976**	**914,952**

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 28 April 2025 has been used.

Investment objective

The fund aims to deliver a higher total return (the combination of capital growth and income) than the Deutsche Numis Smaller Companies Index (excluding Investment Companies), net of the ongoing charge figure, over any five-year period.

Investment policy

At least 80% of the fund is invested in UK smaller companies. These are UK listed companies which, at the initial time of purchase, are:

- in the bottom 10% (by market capitalisation) of the FTSE All-Share index, or
- in the Deutsche Numis Smaller Companies Index (excluding Investment Companies), or
- listed on the Alternative Investment Market.

The fund may also invest in collective investment schemes and other transferable securities. Cash and near cash may be held for ancillary purposes and derivatives, including warrants, may be used for efficient portfolio management and hedging purposes.

Investment approach

The fund manager takes a bottom-up approach to stockpicking and aims to construct a well-diversified portfolio. A long-term perspective is adopted with particular focus placed on 'growth drivers', competitive advantage, change, quality of management and valuation.

When a company held by the fund grows such that it no longer has the characteristics of a smaller company, the fund manager will reduce the holding in a manner and timescale best suited to meeting the fund's objective.

Benchmark

Deutsche Numis Smaller Companies Index (excluding Investment Companies)

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 to measure the fund's performance and, together with the other index, and the Alternative Investment Market constrains the fund's portfolio construction as they define the investment universe of the fund.

The fund is actively managed.

Within the 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.

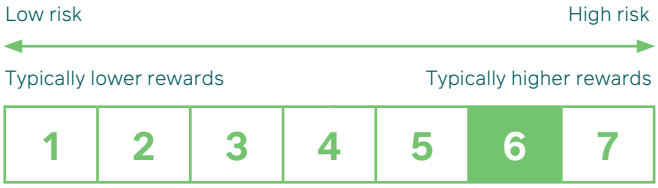
For each share class the benchmark will be denominated or hedged into the relevant share class currency. The benchmark for each share class will be shown in its respective KIID.

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 31 December 2025

Performance against objective

Between 1 July 2025 (the start of the review period) and 31 December 2025, the M&G Smaller Companies Fund delivered a negative total return (the combination of income and growth of capital) across all of its share classes. The fund's performance was behind its benchmark, the Deutsche Numis Smaller Companies Index (excluding Investment Companies), which returned 5.3% over the same period.

The fund did not meet its investment objective of delivering a higher total return than the Deutsche Numis Smaller Companies Index (excluding Investment Companies) over any five-year period for all share classes. The index returned 6.3% pa in the five years to 31 December 2025.

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 UK stockmarket followed a generally upwards path over the six months under review, with sentiment supported by broadly resilient economic data globally. The largest UK companies led gains over the period, with mid- and smaller companies making more modest gains on account of their greater exposure to the domestic economy. In particular, worries about persistent, although declining, inflation, slowing economic growth and the UK's fiscal position limited their gains.

UK inflation stood at 3.6% in June 2025, increasing to 3.8% in July where it remained for the following two months, before resuming a downward path, reaching 3.2% in November 2025. The Bank of England made two cuts to interest rates during the period, leaving them at 3.75% in December 2025.

In this environment, sector allocation held back relative returns, due to an above-index position in consumer discretionary in a weaker consumer environment, and a below-index allocation to basic materials, particularly the fund's allocation to miners. Stock selection was detrimental, largely because of stock picks in more cyclical areas, especially consumer discretionary names, industrials and financials as earnings momentum in the market failed to live up to expectations. These were partly offset by selection in healthcare and technology stocks. Cyclical stocks are generally closely linked to economic cycles.

Detractors included gambling operator Evoke, which was severely impacted by changes made to UK gambling taxation in the Autumn Budget. The company has begun a strategic review and we are actively reassessing the investment case. A holding in creative agency M&C Saatchi also held back relative performance as the firm issued a negative trading update, reflecting a slowdown in the advertising market. M&C Saatchi is also facing internal challenges in its Australian region. However, we remain

Authorised Corporate Director's Report

comfortable with the position. Not holding Hochschild Mining was a headwind for the fund as the gold price continues to increase materially. Mortgage Advice Bureau's shares came under pressure due to a weakening outlook for housing transactions and subsequent mortgage activity for their advisers. The company continues to take market share and we are optimistic about their medium-term performance, subject to the normalisation of transactions.

Contributors included biotech company OXB (formerly Oxford Biomedica). The firm performed well as investors are starting to recognise the scale of its prospects following a proactive equity raising undertaken by the company in the summer. A holding in financial services firm Alpha Group International was also beneficial following a confirmed offer for the company to be taken private. Not holding Baltic Classifieds Group for much of the period was beneficial, as the stock came under pressure due to investors' concerns that the company is at risk from AI. The fund also benefited from not holding a number of stocks that were weak during the period for stock-specific reasons. Examples include Telecom Plus and TBC Bank Group.

Investment activities

We started a new position in Baltic Classifieds, as mentioned above, towards the end of the review period. The company is an online classifieds advertising group that operates in the Baltic region. In our opinion, the risks from AI are more than discounted in the stock's valuation. For a similar reason, we started new positions in online travel agency On The Beach and ticketing website Trainline (both previously held in the portfolio).

We started new positions in a range of companies that we feel have positive earnings momentum, such as facilities management provider Mitie, Norcros, which designs and supplies sustainable bathroom and kitchen products, and digital technology group Kainos.

We started a new position in Pollen Street Group, a private assets fund management company as we are enthused by the ongoing success of recent fund launches. Jupiter Fund Management also joined the portfolio. We are encouraged by the improving relative performance of its key franchises as well as its strategic acquisition of another fund manager.

Turning to sales, we exited public services provider Serco and Primary Health Properties, which had become too large to remain in the benchmark. We also sold holdings in companies where a takeover process was likely to complete shortly, for example fund administration services provider JTC, financial services firm Alpha Group International and semiconductor company Alphawave IP Group. Elsewhere, we sold positions in Domino's Pizza Group, housebuilder Crest Nicholson and publisher Future, as we had lost conviction in the ability of these companies to demonstrate earnings growth momentum.

Outlook

Earnings forecasts for UK small and mid caps proved too optimistic in 2025 with negative earnings revisions through the second half of the year. Although 2026 has commenced with rising geopolitical tensions, forecasts for the year suggest we could see corporate earnings make good progress, which when combined with highly attractive starting valuations, means we are optimistic about prospects for UK small cap investors.

James Taylor
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.

M&G Smaller Companies Fund

Portfolio statement

Investments

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Equities	**146,607**	**100.05**	**100.38**
	Basic resources	**5,947**	**4.06**	**5.35**
279,188	Hill & Smith PLC	5,947	4.06	
	Construction and materials	**10,193**	**6.95**	**7.25**
689,261	Genuit Group PLC	2,244	1.53	
130,373	Keller Group PLC	2,159	1.47	
872,440	Marshalls PLC	1,572	1.07	
461,118	Norcros PLC	1,517	1.04	
421,356	Volution Group PLC	2,701	1.84	
	Consumer products and services	**8,318**	**5.68**	**6.07**
1,400,322	Everplay Group PLC[a]	4,677	3.19	
3,192,158	Gaming Realms PLC[a]	1,277	0.87	
801,397	Videndum PLC	90	0.06	
480,804	Watches of Switzerland Group PLC	2,274	1.56	
	Energy	**6,569**	**4.48**	**2.31**
180,719	Ceres Power Holdings PLC	380	0.26	
544,769	Hunting PLC	2,007	1.37	
1,566,977	Ithaca Energy PLC	2,595	1.77	
910,845	Serica Energy PLC[a]	1,587	1.08	
	Financial services	**25,946**	**17.71**	**16.25**
676,750	AJ Bell PLC	2,995	2.05	
105,716	Brooks Macdonald Group PLC	1,676	1.14	
803,417	IntegraFin Holdings PLC	2,888	1.97	
1,000,000	Investacc Group Ltd.	1,850	1.26	
1,092,064	Jupiter Fund Management PLC	1,728	1.18	
349,677	Mortgage Advice Bureau Holdings Ltd.[a]	2,385	1.63	
439,411	OSB Group PLC	2,823	1.93	
229,076	Pollen Street Group Ltd.	2,158	1.47	
416,276	Tatton Asset Management PLC[a]	2,772	1.89	
1,781,740	Trufin PLC[a]	2,085	1.42	
766,224	XPS Pensions Group PLC	2,586	1.77	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Equities (continued)			
	Food, beverage and tobacco	**5,522**	**3.77**	**3.00**
2,373,404	Premier Foods PLC	4,073	2.78	
320,000	Princes Group PLC	1,449	0.99	
	Health care	**7,380**	**5.04**	**3.99**
133,144	Genus PLC	3,455	2.36	
455,353	OXB	2,782	1.90	
895,410	Oxford Nanopore Technologies PLC	1,143	0.78	
	Industrial goods and services	**23,140**	**15.79**	**15.07**
126,765	Avon Technologies PLC	2,287	1.56	
623,257	Chemring Group PLC	2,932	2.00	
354,994	DiscoverIE Group PLC	2,126	1.45	
1,584,729	Essentra PLC	1,518	1.04	
837,346	Firstgroup PLC	1,588	1.08	
1,474,097	Luceco PLC	1,955	1.33	
1,680,880	Mitie Group PLC	2,794	1.91	
56,785	Oxford Instruments PLC	1,164	0.80	
807,658	Senior PLC	1,572	1.07	
462,700	Vesuvius PLC	1,831	1.25	
378,567	XP Power Ltd.	3,373	2.30	
	Insurance	**1,486**	**1.01**	**1.69**
231,863	Lancashire Holdings Ltd.	1,486	1.01	
	Media	**10,328**	**7.05**	**10.60**
46,517	4imprint Group PLC	1,786	1.22	
2,123,640	M&C Saatchi PLC[a]	2,793	1.91	
3,201,720	Reach PLC	1,751	1.19	
4,528,706	S4 Capital PLC	906	0.62	
1,044,484	Wilmington PLC	3,092	2.11	
	Oil and gas	**0**	**0.00**	**1.30**
	Personal care, drug and grocery stores	**1,234**	**0.84**	**0.00**
440,741	Beauty Tech Group PLC	1,234	0.84	
	Real estate	**15,988**	**10.91**	**8.81**
146,284	Big Yellow Group PLC	1,524	1.04	

Portfolio statement

Investments (continued)

Holding		as at 31.12.25 £'000	as at 31.12.25 %	as at 30.06.25 %
	Equities (continued)			
	Real estate (continued)			
704,834	Grainger PLC	1,282	0.88	
796,648	LSL Property Services PLC	2,071	1.41	
627,264	Safestore Holdings PLC	4,604	3.14	
302,620	Savills PLC	3,014	2.06	
2,687,917	Sirius Real Estate Ltd.	2,578	1.76	
3,102,456	Watkin Jones PLC[a]	915	0.62	
	Retail	**7,984**	**5.45**	**7.62**
2,542,915	Currys PLC	3,214	2.19	
1,079,915	DFS Furniture PLC	1,868	1.28	
1,612,479	Halfords Group PLC	2,248	1.53	
325,357	Moonpig Group PLC	654	0.45	
	Technology	**10,126**	**6.91**	**5.06**
660,959	Baltic Classifieds Group PLC	1,339	0.91	
420,997	Bytes Technology Group PLC	1,513	1.03	
1,547,513	GB Group PLC	3,939	2.69	
118,623	Kainos Group PLC	1,187	0.81	
1,545,504	NCC Group PLC	2,148	1.47	
	Travel and leisure	**6,446**	**4.40**	**6.01**
4,127,186	Evoke PLC	900	0.61	
426,155	Hollywood Bowl Group PLC	1,165	0.80	
504,093	On the Beach Group PLC	1,144	0.78	
1,190,651	SSP Group PLC	2,453	1.67	
358,361	Trainline PLC	784	0.54	
Total portfolio		**146,607**	**100.05**	**100.38**
Net other assets/(liabilities)		**(72)**	**(0.05)**	**(0.38)**
Net assets attributable to shareholders		**146,535**	**100.00**	**100.00**

All securities are on an official stock exchange listing except where referenced.
[a] AIM quoted.

M&G Smaller Companies Fund

Portfolio statement

Top ten portfolio transactions for the six months to 31 December 2025

Largest purchases	£'000
Mitie Group PLC	2,740
OSB Group PLC	2,327
GB Group PLC	2,296
SSP Group PLC	2,121
Pollen Street Group Ltd.	2,002
Serco Group PLC	1,796
Jupiter Fund Management PLC	1,537
Princes Group PLC	1,520
Big Yellow Group PLC	1,491
Baltic Classifieds Group PLC	1,464
Other purchases	19,425
Total purchases	**38,719**

Largest sales	£'000
Alpha Group International PLC	5,526
Serco Group PLC	3,941
Alphawave IP Group PLC	2,923
Polar Capital Holdings PLC[a]	2,549
Primary Health Properties PLC	2,521
Kier Group PLC	2,323
WH Smith PLC	2,262
JTC PLC	2,062
Future PLC	1,913
OXB	1,891
Other sales	18,512
Total sales	**46,423**

[a] AIM quoted.

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

To give an indication of the performance of the fund, the following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested and shown as net of operating charge. Please refer to '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	-1.3	+1.8	-0.6	+3.5
Class 'A' Accumulation	-1.3	+1.8	-0.6	+3.5
Class 'C' Income	-0.7	+3.0	+0.6	+4.9
Class 'I' Income	-1.1	+2.2	-0.2	+4.1
Class 'I' Accumulation	-1.1	+2.2	-0.2	+4.1
Class 'R' Income	-1.3	+2.0	-0.4	+3.8
Class 'R' Accumulation	-1.3	+1.9	-0.5	+3.8
Benchmark	**+5.3**	**+10.8**	**+6.3**	**+6.2**

[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 27 September 1967.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	68,195	73,043	80,885
Number of shares	20,647,240	21,403,227	22,612,094
Closing NAV per share (UK p)	330.29	341.27	357.70
Operating charges (%)	1.25	1.25	1.26

Sterling Class 'A' Accumulation shares

The share class was launched on 27 September 1967.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	22,043	22,988	25,850
Number of shares	2,156,106	2,209,758	2,439,873
Closing NAV per share (UK p)	1,022.36	1,040.30	1,059.50
Operating charges (%)	1.25	1.25	1.26

Sterling Class 'C' Income shares

Sterling Class 'C' shares are not generally available to all investors.

The share class was launched on 3 January 2006.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	18,286	20,111	23,720
Number of shares	4,766,777	5,106,102	5,819,135
Closing NAV per share (UK p)	383.61	393.86	407.63
Operating charges (%)	0.00	0.00	0.01

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	11,368	12,546	37,458
Number of shares	603,323	645,750	1,846,844
Closing NAV per share (UK p)	1,884.20	1,942.91	2,028.23
Operating charges (%)	0.85	0.85	0.86

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	17,826	19,380	21,900
Number of shares	708,372	758,306	844,664
Closing NAV per share (UK p)	2,516.54	2,555.69	2,592.74
Operating charges (%)	0.85	0.85	0.86

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	2,033	2,199	2,489
Number of shares	1,104,872	1,157,395	1,252,012
Closing NAV per share (UK p)	183.96	189.93	198.77
Operating charges (%)	1.10	1.10	1.11

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	31.12.25	30.06.25	30.06.24
Closing NAV (£'000)	6,784	7,398	8,610
Number of shares	2,788,740	2,990,736	3,422,448
Closing NAV per share (UK p)	243.26	247.35	251.57
Operating charges (%)	1.10	1.10	1.11

Financial statements and notes

Financial statements

Statement of total return

for the six months to 31 December	2025		2024	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		(3,949)		(6,950)
Revenue	2,287		2,054	
Expenses	(779)		(896)	
Interest payable and similar charges	(1)		(1)	
Net revenue/(expense) before taxation	1,507		1,157	
Taxation	0		0	
Net revenue/(expense) after taxation		1,507		1,157
Total return before distributions		**(2,442)**		**(5,793)**
Distributions		(2,024)		(1,753)
Change in net assets attributable to shareholders from investment activities		**(4,466)**		**(7,546)**

Statement of change in net assets attributable to shareholders

for the six months to 31 December	2025		2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		**157,665**		**200,912**
Amounts received on issue of shares	2,147		4,259	
Amounts paid on cancellation of shares	(9,275)		(35,586)	
		(7,128)		(31,327)
Dilution adjustments		8		152
Change in net assets attributable to shareholders from investment activities (see above)		(4,466)		(7,546)
Retained distributions on Accumulation shares		447		324
Unclaimed distributions		9		12
Closing net assets attributable to shareholders		**146,535**		**162,527**

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	31 December 2025 £'000	30 June 2025 £'000
Assets		
Fixed assets		
Investments	146,607	158,259
Current assets		
Debtors	228	1,647
Cash and bank balances	206	187
Cash equivalents	1,270	0
Total assets	**148,311**	**160,093**
Liabilities		
Creditors		
Distribution payable	(1,526)	(1,803)
Other creditors	(250)	(625)
Total liabilities	**(1,776)**	**(2,428)**
Net assets attributable to shareholders	**146,535**	**157,665**

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.

M&G Securities Limited is authorised and regulated by the Financial Conduct Authority and provides investment products. The Company's registered office is 10 Fenchurch Avenue, London EC3M 5AG Registered in England: No. 90776. **63694_310826**