M&G Investments

M&G Investment Funds (1)

Interim report and unaudited financial statements for the six months ended 28 February 2026

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Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Investment Funds (1) presents its interim report and unaudited financial statements for the six months ended 28 February 2026.

The unaudited financial statements of M&G Investment Funds (1), the Authorised Corporate Director's Reports including the portfolio statements, financial highlights and the unaudited financial statements and notes of each sub-fund are presented in their individual sections of this report as set out in the contents page.

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

Company information

M&G Investment Funds (1) is an umbrella Open-Ended Investment Company (OEIC) and contains eight sub-funds, hereinafter referred to as 'funds' in the rest of this report. Each fund is a UK UCITS (Undertakings for Collective Investment in Transferable Securities) scheme as defined in the Collective Investment Schemes sourcebook, as issued (and amended) by the Financial Conduct Authority (FCA). This OEIC is an Investment Company with Variable Capital (ICVC) incorporated under the Open-Ended Investment Companies Regulations 2001. It is authorised and regulated by the FCA under the Financial Services and Markets Act 2000.

The Company was authorised on 6 June 2001 and was launched on 1 November 2001, following the conversion of a series of authorised unit trusts.

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

As at 28 February 2026, none of the funds held shares of the other funds within this OEIC.

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

Fund managers

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

M&G Asian Fund
David Perrett

M&G European Sustain Paris Aligned Fund
John William Olsen

M&G Global Sustain Paris Aligned Fund
John William Olsen

M&G Global Themes Fund
Alex Araujo

M&G Japan Fund
Carl Vine

M&G Japan Smaller Companies Fund
Carl Vine

M&G North American Dividend Fund
John Weavers

M&G North American Value Fund
Daniel White

ACD

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

Authorised Corporate Director's Report

Directors of the ACD

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

* Resigned 1 October 2025.
** Appointed 4 December 2025.

Investment manager

M&G Investment Management Limited
10 Fenchurch Avenue, London EC3M 5AG, UK
(Authorised and regulated by the Financial Conduct Authority)

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

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

Our intention under the original Policy was to identify whether companies with significant thermal coal activities had plans to transition away from thermal coal. Companies in emerging markets (so called 'non-OECD countries') were given longer to put these plans in place. If they did not, we would consider how best to engage with them. We intended to complete engagement with companies with significant thermal coal exposure in non-OECD countries by March 2024. We then allowed until October 2024 to divest from those companies if they had not adopted transition plans. It took longer than expected to complete this engagement in time for all holdings. For holdings in some funds, we finished the process in early 2025.

We conducted a retrospective review that confirmed, based on our assessment, the delay in engagement did not result in non-compliance with any fund restrictions relating to the Policy. A further review of the operational model was undertaken to ensure all commitments

Authorised Corporate Director's Report

within the updated Policy can be met in a timely fashion on an ongoing basis.

On 2 April 2026, additional benchmark was adopted on M&G North American Value Fund.

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 addresses. The Instrument of Incorporation can also be inspected at our offices or at the office of the Depositary.

Customer services and administration for UK clients:

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

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

Telephone: 0800 390 390 (UK only)

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

Customer services and administration for non-UK clients:

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

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

Telephone: +352 2605 9944
Email: csmandg@caceis.com

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

German information agent:

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

Authorised Corporate Director's Report

Authorised Corporate Director's Responsibilities

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

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

Directors' statement

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

M&G Securities Limited
15 April 2026

Financial statements and notes

The financial statements for M&G Investment Funds (1) comprise the individual financial statements for each fund and the notes below.

Notes to the financial statements

Accounting policies

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

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 31 August 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 9 February 2026 has been used.

Investment objective

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

Investment policy

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

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

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

Derivatives may be used for efficient portfolio management and hedging.

Investment approach

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

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

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

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

Benchmark

MSCI AC Asia Pacific ex Japan Index

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

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

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

Risk profile

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

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

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.

Authorised Corporate Director's Report

Investment review

For the six months ended 28 February 2026

Performance against objective

Between 1 September 2025 (the start of the review period) and 28 February 2026, the fund's sterling share classes delivered a positive total return (the combination of income and growth of capital). Fund performance was ahead of the benchmark, the MSCI AC Asia Pacific ex Japan Index, which advanced 26.2% during the period.

The fund has outperformed its benchmark over five years (the benchmark returned 7.3% pa in this time). It has therefore met the objective of providing a higher total return, net of the ongoing charge figure, than that of the benchmark, over any five-year period.

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

Performance review

The MSCI AC Asia Pacific ex Japan Index rose over the period and outperformed the MSCI AC World Index.

The fund outperformed relative to the benchmark, supported by strong stock selection across a diversified set of markets and sectors.

Korean equities rallied over the period driven in part by demand for artificial intelligence (AI) chips. Our positions in Hyundai Motor and Samsung Life added to returns, with Hyundai benefiting from accelerating electric vehicle (EV) production and rising investor confidence in its investment spending and innovation initiatives, including robotics. Samsung Life gained as the value of its stake in Samsung Electronics continued to rise.

In China and Hong Kong, markets were taking a pause after a period of strong performance. Nevertheless, bottom-up stock selection added meaningfully. Jiangsu Zhongtian Technology contributed to returns, driven by sustained demand from renewable-energy projects. Weichai Power also performed well, a global leader in hydrogen power solutions for truck engines.

Conversely, our Indian names such as HDFC Bank and Cartrade Tech, an online marketplace for cars and bikes, held back relative performance. We have been able to take advantage of the weakness in the Indian market to add to some quality businesses that were sold off along with the wider market.

Investment activities

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

Our strategy utilises our own independent, proprietary research to identify and extensively research opportunities across a universe of nearly 500 Asia ex-Japan stocks, which has been carefully refined over many years. We deliberately concentrate our efforts around a pre-defined universe of companies.

The desire is for portfolio returns to be driven by our stock picking ability, rather than the portfolio's exposure to be dominated by one or two specific investment styles. We also pay close attention to the portfolio's below-benchmark positions. The performance gap between the portfolio and the benchmark index over time is affected not just by what we invest in, but also what we do not.

We initiated positions in Hankook Tire & Technology, Coway, Sun Art Retail, Beijing-Shanghai High Speed Railway, ASE Technology, Samsung SDS, and D'Alba Global. Hankook is among the most profitable yet undervalued tyre manufacturers globally, in our view, with a notable dividend upside driven by improving governance. Its leadership in EV tyres presents strong growth potential, in our view, and it trades at a substantial discount to global peers in Japan and Europe, despite consistently delivering one of the highest operating profit margins in the industry. Additionally, we initiated new positions in CP ALL, Axis Bank and JINGDONG Industrials. CP ALL, Thailand's 7-11 operator, dominates the market with a 70%+

Authorised Corporate Director's Report

market share. This was a quality stock that pre-COVID traded at a higher valuation because of its strong growth outlook, but has since fallen significantly despite the company meeting earnings expectations in 2025. As a result we have been able to add to the holding at a meaningfully lower valuation.

JINGDONG Industrials, a leading player in offshore wind cables; also strong in optical fibre and power cables, offers a strong recurring revenue business, in our opinion, with growth via new clients and greater existing client penetration.

Conversely, we exited our holdings in Bajaj Auto, Singapore Telecommunications, BYD, Sinopec Kantons and DBS Group.

Outlook

At the end of 2025, markets were dealing with the impact of US tariffs, the direction of interest rates, and concerns around whether China's economy would recover. On the surface, the news through this year on tariffs and China was not very encouraging. Even so, markets delivered strong performance. Technology stocks led the way, but many companies across the region also produced excellent returns thanks to earnings that were better than the market expected.

Overall, this year reinforced our view that focusing on individual companies, rather than trying to predict every macroeconomic event, is the most reliable way to add value. We still monitor the macroeconomic backdrop, but mainly to understand the environment in which companies operate.

Interestingly, some previously highly rated companies in areas like consumer staples, telecommunications and specialist industrials have seen their valuations fall sharply, despite steady earnings. Much of this appears to be a shift in investor attention toward AI-related stocks. For us, these 'fallen quality' names are just one of many areas where we continue to find diverse, independent sources of opportunity for the portfolio.

David Perrett
Fund manager

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

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

Portfolio statement

Investments

Holding		as at 28.02.26 $'000	as at 28.02.26 %	as at 31.08.25 %
	Equities	**2,361,103**	**97.96**	**99.09**
	Australia	**172,058**	**7.14**	**8.44**
995,071	ANZ Group Holdings Ltd.	28,259	1.17	
885,317	BHP Group Ltd.	36,639	1.52	
476,104	BlueScope Steel Ltd.	9,476	0.40	
47,151,235	FBR Ltd.	134	0.01	
6,723,612	Lendlease Corp. Ltd.	19,978	0.83	
11,967,596	Mesoblast Ltd.	19,056	0.79	
108,701	Mesoblast Ltd. Warrants 20/03/2028	0	0.00	
858,954	National Australia Bank Ltd.	29,931	1.24	
4,567,651	Stockland	16,462	0.68	
602,627	Woodside Energy Group Ltd.	12,123	0.50	
	Bermuda	**33,503**	**1.39**	**1.86**
75,983,000	Pacific Basin Shipping Ltd.	33,503	1.39	
	Cayman Islands	**392,583**	**16.29**	**20.27**
120,000	17LIVE Group Ltd. Warrants 07/12/2028	1	0.00	
3,456,476	Alibaba Group Holding Ltd.	62,856	2.61	
352,725	Atour Lifestyle Holdings Ltd. ADR	14,271	0.59	
391,737	Autohome, Inc. ADR	7,783	0.32	
3,232,500	CK Asset Holdings Ltd.	20,519	0.85	
1,567,850	CK Hutchison Holdings Ltd.	12,892	0.54	
32,913,000	Crystal International Group Ltd.	31,339	1.30	
4,728,359	DiDi Global, Inc. ADR	20,751	0.86	
643,856	H World Group Ltd. ADR	36,139	1.50	
13,152,488	JINGDONG Industrials, Inc.	19,916	0.83	
6,624,504	KE Holdings, Inc.	36,850	1.53	
518,480	Meituan	5,363	0.22	
1,213,100	Tencent Holdings Ltd.	80,231	3.33	
28,971,500	WH Group Ltd.	36,460	1.51	
1,618,711	Xiaomi Corp.	7,212	0.30	
	China	**226,920**	**9.41**	**10.10**
11,459,544	Beijing Oriental Yuhong Waterproof Technology Co. Ltd.	30,027	1.25	
32,097,200	Beijing-Shanghai High Speed Railway Co. Ltd.	23,129	0.96	

Portfolio statement

Investments (continued)

Holding		as at 28.02.26 $'000	as at 28.02.26 %	as at 31.08.25 %
	Equities (continued)			
	China (continued)			
2,984,500	China Merchants Bank Co. Ltd.	18,592	0.77	
14,126,100	China Tower Corp. Ltd.	20,126	0.84	
5,900,600	GF Securities Co. Ltd.	12,984	0.54	
16,161,000	Hainan Meilan International Airport Co. Ltd.	17,901	0.74	
7,130,200	Huatai Securities Co. Ltd.	15,300	0.63	
8,407,862	Jiangsu Zhongtian Technology Co. Ltd.	35,708	1.48	
319,100	Mixue Group	14,576	0.60	
18,523,000	Sinopec Engineering Group Co. Ltd.	18,723	0.78	
4,762,000	Weichai Power Co. Ltd.	19,854	0.82	
	Hong Kong	**138,424**	**5.74**	**5.85**
4,525,600	AIA Group Ltd.	50,122	2.08	
3,700,500	BOC Hong Kong Holdings Ltd.	21,210	0.88	
6,769,500	China Resources Beer Holdings Co. Ltd.	23,859	0.99	
78,318,000	Sun Art Retail Group Ltd.	16,423	0.68	
1,435,500	Sun Hung Kai Properties Ltd.	26,810	1.11	
	India	**206,434**	**8.56**	**10.93**
207,786	Apollo Hospitals Enterprise Ltd.	17,838	0.74	
1,478,012	Axis Bank Ltd.	22,473	0.93	
1,003,553	Cartrade Tech Ltd.	19,966	0.83	
7,426,424	HDFC Bank Ltd.	72,422	3.00	
1,117,597	ICICI Bank Ltd.	16,928	0.70	
1,095,497	Infosys Ltd.	15,641	0.65	
2,319,714	Juniper Hotels Ltd.	5,505	0.23	
646,283	Mahindra & Mahindra Ltd.	24,153	1.00	
750,720	Reliance Industries Ltd.	11,508	0.48	
	Indonesia	**86,714**	**3.60**	**4.32**
82,434,900	Bank Mandiri Persero Tbk. PT	25,938	1.08	
123,312,700	Bank Rakyat Indonesia Persero Tbk. PT	28,686	1.19	
151,976,500	Telkom Indonesia Persero Tbk. PT	32,090	1.33	
	Jersey	**74,159**	**3.08**	**2.91**
1,540,971	Amcor PLC	74,159	3.08	

Portfolio statement

Investments (continued)

Holding		as at 28.02.26 $'000	as at 28.02.26 %	as at 31.08.25 %
	Equities (continued)			
	Singapore	**130,409**	**5.41**	**6.22**
54,169,100	Genting Singapore Ltd.	30,599	1.27	
24,869,500	Netlink NBN Trust	19,353	0.80	
1,540,400	United Overseas Bank Ltd.	44,956	1.87	
10,353,700	Yangzijiang Shipbuilding Holdings Ltd.	35,501	1.47	
	South Korea	**473,558**	**19.65**	**10.81**
333,110	Coway Co. Ltd.	18,950	0.79	
178,226	D'Alba Global Co. Ltd.	21,034	0.87	
346,484	Hana Financial Group, Inc.	29,329	1.22	
674,952	Hankook Tire & Technology Co. Ltd.	34,188	1.42	
201,810	Hyundai Motor Co. Preference Shares	45,078	1.87	
39,188	Samsung Electro-Mechanics Co. Ltd.	12,216	0.51	
596,778	Samsung Electronics Co. Ltd.	89,690	3.72	
708,169	Samsung Electronics Co. Ltd. Preference Shares	70,702	2.93	
10,996	Samsung Fire & Marine Insurance Co. Ltd.	4,044	0.17	
300,948	Samsung Life Insurance Co. Ltd.	48,182	2.00	
143,119	Samsung SDS Co. Ltd.	19,394	0.80	
110,402	SK Hynix, Inc.	80,751	3.35	
	Taiwan	**317,721**	**13.18**	**12.89**
1,521,000	ASE Technology Holding Co. Ltd.	18,860	0.78	
633,220	Delta Electronics, Inc.	29,012	1.20	
2,539,000	Hon Hai Precision Industry Co. Ltd.	19,727	0.82	
244,000	MediaTek, Inc.	15,205	0.63	
3,675,178	Taiwan Semiconductor Manufacturing Co. Ltd.	234,917	9.75	
	Thailand	**108,620**	**4.51**	**4.49**
2,063,900	Advanced Info Service PCL	25,230	1.05	
5,224,700	Bangkok Bank PCL	29,750	1.23	
12,607,400	CP ALL PCL	20,989	0.87	
3,169,500	Kasikornbank PCL	20,494	0.85	
33,818,300	Thai Beverage PCL	12,157	0.51	

Portfolio statement

Investments (continued)

Holding	as at 28.02.26 $'000	as at 28.02.26 %	as at 31.08.25 %
Derivatives	0	0.00	0.00
Forwards	0	0.00	0.00
Total portfolio	2,361,103	97.96	99.09
Net other assets/(liabilities)	49,085	2.04	0.91
Net assets attributable to shareholders	2,410,188	100.00	100.00

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

Portfolio statement

Top ten portfolio transactions for the six months to 28 February 2026

Largest purchases	$'000
Taiwan Semiconductor Manufacturing Co. Ltd.	87,316
Samsung Electronics Co. Ltd. Preference Shares	53,381
HDFC Bank Ltd.	40,728
Tencent Holdings Ltd.	35,004
Amcor PLC	31,126
Alibaba Group Holding Ltd.	29,622
United Overseas Bank Ltd.	29,289
Hankook Tire & Technology Co. Ltd.	24,822
Beijing-Shanghai High Speed Railway Co. Ltd.	23,113
JINGDONG Industrials, Inc.	22,893
Other purchases	620,336
Total purchases	**997,630**

Largest sales	$'000
Taiwan Semiconductor Manufacturing Co. Ltd.	64,701
Samsung Electronics Co. Ltd.	37,766
Samsung Electro-Mechanics Co. Ltd.	17,811
Sun Hung Kai Properties Ltd.	10,850
DBS Group Holdings Ltd.	10,563
H World Group Ltd. ADR	10,035
Singapore Telecommunications Ltd.	9,430
Samsung Fire & Marine Insurance Co. Ltd.	8,704
Advanced Info Service PCL	8,684
Weichai Power Co. Ltd.	7,960
Other sales	86,886
Total sales	**273,390**

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	+30.2	+20.6	+13.0	+12.4
Class 'A' Accumulation	+30.2	+20.6	+13.0	+12.4
Class 'I' Income	+30.5	+21.0	+13.5	+13.1
Class 'I' Accumulation	+30.5	+21.0	+13.5	+13.0
Class 'PP' Income	+30.6	n/a	n/a	n/a
Class 'PP' Accumulation	+30.5	n/a	n/a	n/a
Class 'R' Income	+30.3	+20.7	+13.2	+12.8
Class 'R' Accumulation	+30.3	+20.7	+13.2	+12.8
Benchmark	**+26.2**	**+16.5**	**+7.3**	**+11.7**

[a] Not annualised.

Comparative tables

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

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 14 September 1973.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	228,458	181,659	149,538
Number of shares	6,985,015	7,237,769	7,249,780
Closing NAV per share (UK p)	2,428.49	1,864.35	1,565.88
Operating charges (%)	1.00	1.00	1.01

Sterling Class 'A' Accumulation shares

The share class was launched on 14 September 1973.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	29,468	22,567	17,145
Number of shares	435,344	434,349	414,746
Closing NAV per share (UK p)	5,025.94	3,859.28	3,138.30
Operating charges (%)	1.00	1.00	1.01

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	120,563	75,035	27,841
Number of shares	3,105,472	2,523,678	1,144,038
Closing NAV per share (UK p)	2,882.58	2,208.56	1,847.48
Operating charges (%)	0.60	0.60	0.61

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	733,147	474,715	163,318
Number of shares	13,568,111	11,468,394	4,978,715
Closing NAV per share (UK p)	4,012.07	3,074.73	2,490.28
Operating charges (%)	0.60	0.60	0.61

Sterling Class 'PP' Income shares

The share class was launched on 27 April 2023.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	272,817	32,349	46
Number of shares	119,110,454	18,452,912	32,000
Closing NAV per share (UK p)	170.07	130.22	108.84
Operating charges (%)	0.50	0.50	0.51

Sterling Class 'PP' Accumulation shares

The share class was launched on 27 April 2023.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	1,008,239	386,797	44
Number of shares	406,578,734	203,709,200	29,243
Closing NAV per share (UK p)	184.13	141.04	114.12
Operating charges (%)	0.50	0.50	0.51

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	1,312	1,178	1,073
Number of shares	346,539	405,844	450,555
Closing NAV per share (UK p)	281.09	215.64	180.84
Operating charges (%)	0.85	0.85	0.86

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	16,184	12,460	10,376
Number of shares	3,097,224	3,109,084	3,258,765
Closing NAV per share (UK p)	387.98	297.69	241.72
Operating charges (%)	0.85	0.85	0.86

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Statement of total return

for the six months to 28 February	2026		2025	
	$'000	$'000	$'000	$'000
Income				
Net capital gains/(losses)		461,550		17,059
Revenue	19,097		5,938	
Expenses	(5,131)		(1,651)	
Interest payable and similar charges	(1)		(6)	
Net revenue/(expense) before taxation	13,965		4,281	
Taxation	(2,522)		(1,020)	
Net revenue/(expense) after taxation		11,443		3,261
Total return before equalisation		**472,993**		**20,320**
Equalisation		3,917		2,233
Change in net assets attributable to shareholders from investment activities		**476,910**		**22,553**

Statement of change in net assets attributable to shareholders

for the six months to 28 February	2026		2025	
	$'000	$'000	$'000	$'000
Opening net assets attributable to shareholders		**1,186,760**		**369,381**
Amounts received on issue of shares	869,010		339,956	
Amounts paid on cancellation of shares	(123,515)		(75,008)	
		745,495		264,948
Dilution adjustments		1,021		726
Change in net assets attributable to shareholders from investment activities (see above)		476,910		22,553
Unclaimed distributions		2		2
Closing net assets attributable to shareholders		**2,410,188**		**657,610**

The opening net assets attributable to shareholders for 2026 differs to the closing position in 2025 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	28 February 2026 $'000	31 August 2025 $'000
Assets		
Fixed assets		
Investments	2,361,103	1,175,925
Current assets		
Debtors	165,003	14,390
Cash and bank balances	6,276	5,251
Cash equivalents	22,053	16,049
Total assets	**2,554,435**	**1,211,615**
Liabilities		
Creditors		
Bank overdrafts	(57)	0
Distribution payable	0	(9,527)
Other creditors	(140,433)	(12,288)
Deferred tax provision	(3,757)	(3,040)
Total liabilities	**(144,247)**	**(24,855)**
Net assets attributable to shareholders	**2,410,188**	**1,186,760**

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 9 February 2026 has been used.

Sustainability Improvers label

Sustainability Improvers

From 2 April 2025, this fund adopted the 'Sustainability Improvers' label. For more information on the fund's sustainability objective and its progress towards achieving the objective as measured against the relevant sustainability metrics, please refer to the fund's consumer-facing disclosure which is available on our website: mandg.co.uk/funds

Investment objective

The fund aims to:

- Provide a higher total return (capital growth plus income), net of the ongoing charge figure, than that of the MSCI Europe ex UK Index over any five-year period; and
- As its Sustainability Goal, support the mitigation of climate change by investing at least 70% of the fund in companies that contribute towards the Paris Agreement climate change goal* and have the potential to reduce their contribution to climate change determined by their potential to decarbonise their operations over time and ultimately reach Net Zero**.

* The overarching Paris Agreement climate change goal is to hold the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels. The principal way to achieve this is to avoid the buildup of greenhouse gases, which in turn will prevent the most severe impacts of climate change, such as extreme weather events, sea-level rise, and biodiversity loss.

** As at the date of this prospectus, the long term target is for investments made by the fund to reach Net Zero by 2050.

Investment policy

The fund invests at least 80% of its net asset value in the equity securities and equity-related instruments of companies across any sector and market capitalisation that are incorporated, domiciled or listed in Europe, excluding the UK. The fund has a concentrated portfolio and usually holds fewer than 35 companies.

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

Derivatives may be used for efficient portfolio management and hedging.

Investment approach

The fund is a focused Europe ex UK equity fund, investing over the long term in companies which are contributing towards the Paris Agreement climate change goal, as explained in the Sustainability Disclosures section as covered in 'Appendix 1' within the Prospectus.

In addition, these companies need to demonstrate business models competitively positioned to protect their profitability. Importantly, the fund invests in businesses where short-term issues have provided a clear valuation opportunity. The fund employs a bottom-up stock picking approach, driven by the fundamental analysis of individual companies. The fund manager believes that this approach offers a powerful combination, providing the long-term compounded value of quality businesses, as well as the potential boost to a company's share price when a short-term issue has been resolved.

Benchmark

MSCI Europe ex UK Index

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

The benchmark is also used to define Lower Carbon Intensity. The fund manager considers the fund's

Authorised Corporate Director's Report

weighted average carbon intensity against the benchmark when constructing the portfolio, but the benchmark does not otherwise constrain portfolio construction.

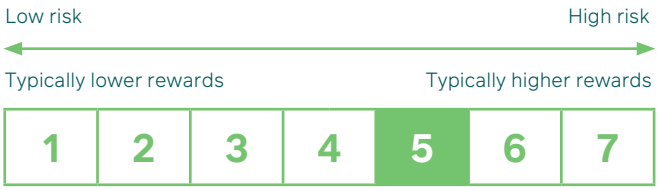
The fund is actively managed and within given constraints, the fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents, and as a result the fund's performance may deviate materially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

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

Risk profile

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

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



The above number:

- is based on the rate at which the value of the fund has moved up and down in the past and is based on historical data so may not be a reliable indicator of the future risk profile of the fund.
- is not guaranteed and may change over time and the lowest risk number does not mean risk free.
- has changed during this period. From 1 September 2025 to 27 October 2025 the risk number was 6.

Investment review

For the six months ended 28 February 2026

Performance against objective

Between 1 September 2025 (the start of the review period) and 28 February 2026, the M&G European Sustain Paris Aligned Fund delivered a positive total return (the combination of income and growth of capital) across all of its sterling share classes. However, the fund underperformed its benchmark, the MSCI Europe ex UK Index, which returned 16.7% over the same period.

Over five years, the fund generated a positive annualised total return across all its share classes, but underperformed its benchmark which returned 12.4% pa over the period. The fund therefore did not meet its financial objective which is to provide a higher total return (capital growth plus income), net of the ongoing charge figure, than that of the MSCI Europe ex UK Index over any five-year period.

With regards to the fund's sustainability objective, we will report on this separately on an annual basis and publish this to our website. For more information on the fund's sustainability objective and its progress towards achieving the objective as measured against the relevant sustainability metrics, please refer to the fund's consumer-facing disclosure: mandg.com/european-sustain-paris-aligned-fund

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

European equities made gains during the period under review. Markets were buoyed by US interest rate cuts, positive earnings news and the desire by some investors to diversify out of the US.

In the fourth quarter of 2025, in terms of equities, Europe was among the best-performing regions globally. European equities continued to gain in the first two months of 2026 despite US tariff threats linked to Greenland (these threats were ultimately withdrawn).

Authorised Corporate Director's Report

Stock selection in healthcare, consumer discretionary and communication services had a negative impact on relative returns. The fund's above-benchmark position in communication services also dented relative performance. In contrast, stockpicking in financials boosted relative returns, as did the fund's above-benchmark position in industrials.

Key detractors from relative performance included Scout24 and Pandora. Pandora's share price declined in November on the back of underwhelming quarterly results and a reduction in its sales outlook. In January, Pandora's share price fell again after it announced its preliminary results: these showed poor sales growth in 2025 due to disappointing holiday-season expenditure.

The top contributors to relative performance were Metso and Lion Finance Group. Metso's share price rose in October after it released impressive quarterly results.

Investment activities

During the period, we opened positions in Swiss eye care company Alcon and online retailer Zalando. We believe Zalando is well set up for the future: the business is European focused with several narrow moats. We closed our positions in Kuehne & Nagel International, WH Smith and Pandora.

Outlook

In recent times, unexciting, high-quality companies which offer a good return on capital and solid long-term defensive characteristics have been left behind. If such companies have (unjustifiably) become entangled in a tariff, policy or tech narrative, their fate has been even worse. Indeed, in 2025, quality companies as a whole suffered the worst relative declines in more than two decades in developed markets. This creates a happy hunting ground for our strategy; we rarely see this part of the market underperform for a prolonged period.

We expect 2026 to be a lively year, during which technology bottlenecks will likely tighten or inflect negatively. Geopolitical tensions, private debt rumblings and newsflow on mega IPOs could potentially affect sentiment – along with the added challenge of mid-term elections in the US during the latter part of the year.

We do not believe we have the ability to predict the precise outcomes of these events, but technical, quant-driven and thematic basket trading create disproportionate swings, often based on quickly-changing narratives. We believe our job is to capitalise on these changes for long-term gain, stacking the odds in our favour.

John William Olsen
Fund manager

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

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

M&G European Sustain Paris Aligned Fund

Portfolio statement

Investments

Holding		as at 28.02.26 €'000	as at 28.02.26 %	as at 31.08.25 %
	Equities	**1,722,082**	**97.93**	**93.65**
	Banks	**277,418**	**15.78**	**12.91**
11,520,293	AIB Group PLC	102,761	5.85	
1,283,778	FinecoBank Banca Fineco SpA	26,048	1.48	
2,732,650	ING Groep NV	68,084	3.87	
590,988	Lion Finance Group PLC	80,525	4.58	
	Chemicals	**109,788**	**6.24**	**6.16**
628,676	Akzo Nobel NV	37,469	2.13	
541,705	IMCD NV	42,427	2.41	
70,763	Linde PLC	29,892	1.70	
	Consumer products and services	**0**	**0.00**	**2.27**
	Energy	**24,047**	**1.37**	**1.11**
1,095,960	Vestas Wind Systems AS	24,047	1.37	
	Food, beverage and tobacco	**83,659**	**4.76**	**5.07**
576,849	Nestle SA	52,185	2.97	
408,118	Pernod Ricard SA	31,474	1.79	
	Health care	**203,725**	**11.59**	**10.79**
629,904	Alcon AG	46,104	2.62	
2,078,929	ALK-Abello AS	60,263	3.43	
864,482	Carl Zeiss Meditec AG	23,445	1.33	
843,283	Fresenius Medical Care AG	33,124	1.89	
1,286,795	Novo Nordisk AS	40,789	2.32	
	Industrial goods and services	**520,599**	**29.60**	**25.88**
851,177	ANDRITZ AG	62,604	3.56	
257,025	DSV AS	56,068	3.19	
2,078,151	ISS AS	62,799	3.57	
539,568	Legrand SA	83,552	4.75	
4,919,821	Metso OYJ	86,933	4.94	
359,189	Schneider Electric SE	99,873	5.68	
276,516	Siemens AG	68,770	3.91	
	Insurance	**78,668**	**4.47**	**4.52**
308,260	Hannover Rueck SE	78,668	4.47	

Portfolio statement

Investments (continued)

Holding		as at 28.02.26 €'000	as at 28.02.26 %	as at 31.08.25 %
	Equities (continued)			
	Media	**99,076**	**5.63**	**6.94**
801,017	CTS Eventim AG & Co. KGaA	53,949	3.07	
2,376,372	Universal Music Group NV	45,127	2.56	
	Retail	**37,238**	**2.12**	**1.02**
1,806,812	Zalando SE	37,238	2.12	
	Technology	**249,872**	**14.21**	**15.62**
776,136	Amadeus IT Group SA	41,135	2.34	
90,269	ASML Holding NV	110,363	6.27	
285,766	SAP SE	48,849	2.78	
695,097	Scout24 SE	49,525	2.82	
	Utilities	**37,992**	**2.16**	**1.36**
1,860,904	Orsted AS	37,992	2.16	
Total portfolio		**1,722,082**	**97.93**	**93.65**
Net other assets/(liabilities)		**36,409**	**2.07**	**6.35**
Net assets attributable to shareholders		**1,758,491**	**100.00**	**100.00**

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

Portfolio statement

Top portfolio transactions for the six months to 28 February 2026

Largest purchases	€'000
Zalando SE	45,634
Alcon AG	42,510
ASML Holding NV	30,294
Schneider Electric SE	29,171
Scout24 SE	27,221
Hannover Rueck SE	26,787
IMCD NV	25,604
Legrand SA	25,074
CTS Eventim AG & Co. KGaA	24,457
SAP SE	24,026
Other purchases	361,815
Total purchases	**662,593**

Sales	€'000
Pandora AS	21,300
WH Smith PLC	14,066
Kuehne & Nagel International AG	11,779
ASML Holding NV	8,345
SAP SE	4,188
Scout24 SE	4,169
Total sales	**63,847**

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	+6.4	+10.4	+10.3	+9.8
Class 'A' Accumulation	+6.4	+10.4	+10.3	+9.8
Class 'I' Income	+6.6	+10.8	+10.7	+10.4
Class 'I' Accumulation	+6.6	+10.8	+10.7	+10.4
Class 'PP' Income	+6.7	+11.0	n/a	n/a
Class 'PP' Accumulation	+6.7	+11.0	n/a	n/a
Class 'R' Income	+6.5	+10.6	+10.4	+10.1
Class 'R' Accumulation	+6.5	+10.6	+10.4	+10.2
Benchmark	**+16.7**	**+14.6**	**+12.4**	**+10.9**

[a] Not annualised.

Comparative tables

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

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 29 September 1989.

	28.02.26	31.08.25	31.08.24
Closing NAV (€'000)	149,612	148,396	159,650
Number of shares	38,784,238	40,322,225	43,652,215
Closing NAV per share (UK p)	338.04	318.96	307.63
Operating charges (%)	0.93	0.95	0.95

Sterling Class 'A' Accumulation shares

The share class was launched on 29 September 1989.

	28.02.26	31.08.25	31.08.24
Closing NAV (€'000)	127,175	126,060	132,432
Number of shares	13,383,171	13,961,603	15,127,470
Closing NAV per share (UK p)	832.71	782.52	736.37
Operating charges (%)	0.93	0.95	0.95

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV (€'000)	34,091	36,559	35,280
Number of shares	1,076,401	1,212,346	1,182,016
Closing NAV per share (UK p)	2,775.36	2,613.48	2,510.62
Operating charges (%)	0.53	0.55	0.55

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV (€'000)	229,043	161,535	111,421
Number of shares	5,269,211	3,918,864	2,799,037
Closing NAV per share (UK p)	3,809.12	3,572.39	3,348.33
Operating charges (%)	0.53	0.55	0.55

Sterling Class 'PP' Income shares

The share class was launched on 2 September 2021.

	28.02.26	31.08.25	31.08.24
Closing NAV (€'000)	4,643	4,464	2,687
Number of shares	3,180,575	3,212,829	1,955,948
Closing NAV per share (UK p)	127.93	120.41	115.56
Operating charges (%)	0.43	0.45	0.45

Sterling Class 'PP' Accumulation shares

The share class was launched on 2 September 2021.

	28.02.26	31.08.25	31.08.24
Closing NAV (€'000)	1,183,138	592,141	552,355
Number of shares	738,022,845	389,708,205	376,799,368
Closing NAV per share (UK p)	140.48	131.68	123.30
Operating charges (%)	0.43	0.45	0.45

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV (€'000)	5,245	5,082	5,246
Number of shares	1,717,141	1,745,115	1,815,489
Closing NAV per share (UK p)	267.68	252.38	243.06
Operating charges (%)	0.78	0.80	0.80

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV (€'000)	25,544	26,127	28,388
Number of shares	6,084,191	6,554,471	7,356,083
Closing NAV per share (UK p)	367.90	345.47	324.61
Operating charges (%)	0.78	0.80	0.80

Financial statements and notes

Financial statements

Statement of total return

for the six months to 28 February	2026		2025	
	€'000	€'000	€'000	€'000
Income				
Net capital gains/(losses)		81,990		52,976
Revenue	7,408		4,940	
Expenses	(4,459)		(3,062)	
Interest payable and similar charges	(63)		0	
Net revenue/(expense) before taxation	2,886		1,878	
Taxation	(411)		(247)	
Net revenue/(expense) after taxation		2,475		1,631
Total return before distributions		**84,465**		**54,607**
Distributions		(3,366)		(2,501)
Change in net assets attributable to shareholders from investment activities		**81,099**		**52,106**

Statement of change in net assets attributable to shareholders

for the six months to 28 February	2026		2025	
	€'000	€'000	€'000	€'000
Opening net assets attributable to shareholders		**1,100,364**		**1,027,459**
Amounts received on issue of shares	627,497		65,303	
Amounts paid on cancellation of shares	(54,217)		(129,351)	
		573,280		(64,048)
Dilution adjustments		1,131		56
Change in net assets attributable to shareholders from investment activities (see above)		81,099		52,106
Retained distributions on Accumulation shares		2,592		1,517
Unclaimed distributions		25		18
Closing net assets attributable to shareholders		**1,758,491**		**1,017,108**

The opening net assets attributable to shareholders for 2026 differs to the closing position in 2025 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	28 February 2026 €'000	31 August 2025 €'000
Assets		
Fixed assets		
Investments	1,722,082	1,030,469
Current assets		
Debtors	3,965	5,644
Cash and bank balances	913	18,437
Cash equivalents	32,950	51,041
Total assets	**1,759,910**	**1,105,591**
Liabilities		
Creditors		
Distribution payable	(785)	(3,953)
Other creditors	(634)	(1,274)
Total liabilities	**(1,419)**	**(5,227)**
Net assets attributable to shareholders	**1,758,491**	**1,100,364**

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 9 February 2026 has been used.

Sustainability Improvers label

Sustainability Improvers

From 2 April 2025, this fund adopted the 'Sustainability Improvers' label. For more information on the fund's sustainability objective and its progress towards achieving the objective as measured against the relevant sustainability metrics, please refer to the fund's consumer-facing disclosure which is available on our website: mandg.co.uk/funds

Investment objective

The fund aims to:

- Provide a higher total return (capital growth plus income), net of the ongoing charge figure, than that of the MSCI World Index over any five-year period; and
- As its Sustainability Goal, support the mitigation of climate change by investing at least 70% of the fund in companies that contribute towards the Paris Agreement climate change goal* and have the potential to reduce their contribution to climate change determined by their potential to decarbonise their operations over time and ultimately reach Net Zero**.

* The overarching Paris Agreement climate change goal is to hold the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels. The principal way to achieve this is to avoid the buildup of greenhouse gases, which in turn will prevent the most severe impacts of climate change, such as extreme weather events, sea-level rise, and biodiversity loss.

** As at the date of this prospectus, the long term target is for investments made by the fund to reach Net Zero by 2050.

Investment policy

The fund invests at least 80% of its net asset value in the equity securities and equity-related instruments of companies across any sector and market capitalisation that are incorporated, domiciled or listed in any country, including emerging markets. The fund has a concentrated portfolio and usually holds fewer than 40 companies.

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

Derivatives may be used for efficient portfolio management and hedging.

Investment approach

The fund is a focused global equity fund, investing over the long term in companies which are contributing towards the Paris Agreement climate change goal, as explained in the Sustainability Disclosures section as covered in 'Appendix 1' within the Prospectus.

In addition, these companies need to demonstrate business models competitively positioned to protect their profitability.

Importantly, the fund invests in businesses where short-term issues have provided a clear valuation opportunity. The fund employs a bottom-up stock picking approach, driven by the fundamental analysis of individual companies. The fund manager believes that this approach offers a powerful combination, providing the long-term compounded value of quality businesses, as well as the potential boost to a company's share price when a short-term issue has been resolved.

Benchmark

MSCI World Index

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

The benchmark is also used to define Lower Carbon Intensity. The fund manager considers the fund's

Authorised Corporate Director's Report

weighted average carbon intensity against the benchmark when constructing the portfolio, but the benchmark does not otherwise constrain portfolio construction.

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

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

Risk profile

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

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

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 28 February 2026

Performance against objective

Between 1 September 2025 (the start of the review period) and 28 February 2026, the M&G Global Sustain Paris Aligned Fund delivered a positive total return (the combination of income and growth of capital) across all of its sterling share classes, but underperformed its benchmark, the MSCI World Index, which returned 10.3% over the same period.

Over five years, the fund generated a positive annualised total return across all its share classes, but underperformed its benchmark which returned 13.9% pa over the period. The fund therefore did not meet its financial objective which is to provide a higher total return (capital growth plus income), net of the ongoing charge figure, than that of the MSCI World Index over any five-year period.

With regards to the fund's sustainability objective, we will report on this separately on an annual basis and publish this to our website. For more information on the fund's sustainability objective and its progress towards achieving the objective as measured against the relevant sustainability metrics, please refer to the fund's consumer-facing disclosure: mandg.com/global-sustain-paris-aligned-fund

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

Financial markets proved resilient in the six months under review, supported by a pivot towards monetary easing, enthusiasm for artificial intelligence (AI)-related stocks and solid corporate earnings.

Japan's stockmarket rose following the election of Sanae Takaichi as prime minister; Takaichi's pro-growth stance has been well received by investors. UK, eurozone and emerging market equities also performed well. US equities recorded gains but underperformed other regions.

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Stock selection in the technology, financials and healthcare sectors adversely affected relative performance. Though to a lesser extent, the fund's lack of exposure to energy also had a detrimental impact on relative returns. In contrast, stockpicking in communication services and industrials enhanced relative performance, as did the fund's below-benchmark position in technology.

Key detractors from relative performance included Microsoft, Synopsys and Novo Nordisk.

Microsoft's share price declined in January after the release of its quarterly results. Investors are concerned by a significant rise in the company's AI expenditure and slower-than-anticipated growth in its cloud business.

Synopsys's share price fell steeply after it released disappointing quarterly results in September. The company's activity was negatively affected by trade tensions between the US and China.

In October, Novo Nordisk's share price dropped after US President Donald Trump said he would reduce the price of Ozempic. News that its board would be undergoing substantial changes further dented its share price during the month.

The pharmaceutical company then released disappointing quarterly results (and lowered its guidance) in November. Later in the month, trial results showed that its semaglutide medication does not slow decline in patients with Alzheimer's disease.

In February, disappointing 2026 sales guidance had an adverse effect on Novo Nordisk's share price; the company cited pricing pressure as a key reason for the poor outlook. Its share price fell again later in the month after trial results indicated that its weight-loss medication CagriSema is less effective than Eli Lilly's rival product.

The top contributors to relative performance were Alphabet, ASML and Schneider Electric.

In September, Alphabet's share price rose after a US court ruled that Google would not need to sell its Chrome browser to resolve competition issues. Alphabet's share price increased again in October after it published strong quarterly results and raised its annual capital expenditure in order to keep up with demand for AI. In November, Alphabet's share price was boosted by news that Berkshire Hathaway had acquired a stake in the company. The release of the business's latest Gemini AI model, which received strong reviews, also buoyed its share price.

ASML's share price performed well in January on the back of hopes that AI will continue to drive chip demand. In February, Schneider Electric's quarterly results impressed the market, leading to a rise in its share price.

Investment activities

During the period, we closed our positions in ING Group and Magnum Ice Cream. Magnum Ice Cream came to us via a mandatory spin-out from Unilever. We opened positions in ticketing services company CTS Eventim, online retailer Zalando and software business Intuit.

Outlook

In recent times, unexciting, high-quality companies which offer a good return on capital and solid long-term defensive characteristics have been left behind. If such companies have (unjustifiably) become entangled in a tariff, policy or tech narrative, their fate has been even worse. Indeed, in 2025, quality companies as a whole suffered the worst relative declines in more than two decades in developed markets. This creates a happy hunting ground for our strategy; we rarely see this part of the market underperform for a prolonged period.

We expect 2026 to be a lively year, during which technology bottlenecks will likely tighten or inflect negatively. Geopolitical tensions, private debt rumblings and newsflow on mega IPOs could potentially affect sentiment – along with the added challenge of mid-term elections in the US during the latter part of the year.

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We do not believe we have the ability to predict the precise outcomes of these events, but technical, quant-driven and thematic basket trading create disproportionate swings, often based on quickly-changing narratives. We believe our job is to capitalise on these changes for long-term gain, stacking the odds in our favour.

John William Olsen
Fund manager

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

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

M&G Global Sustain Paris Aligned Fund

Portfolio statement

Investments

Holding		as at 28.02.26 $'000	as at 28.02.26 %	as at 31.08.25 %
	Equities	**906,543**	**98.64**	**98.37**
	Banks	**26,697**	**2.90**	**5.59**
2,737,544	HDFC Bank Ltd.	26,697	2.90	
	Chemicals	**22,280**	**2.42**	**2.39**
44,690	Linde PLC	22,280	2.42	
	Consumer products and services	**30,112**	**3.28**	**3.53**
342,412	eBay, Inc.	30,112	3.28	
	Financial services	**39,219**	**4.27**	**4.82**
219,399	Bank of New York Mellon Corp.	26,651	2.90	
69,157	Morningstar, Inc.	12,568	1.37	
	Food, beverage and tobacco	**16,264**	**1.77**	**1.57**
152,331	Nestle SA	16,264	1.77	
	Health care	**72,698**	**7.91**	**8.84**
120,973	Becton Dickinson & Co.	21,289	2.32	
465,669	Novo Nordisk AS	17,421	1.90	
100,330	UnitedHealth Group, Inc.	28,720	3.12	
16,372	Waters Corp.	5,268	0.57	
	Industrial goods and services	**302,502**	**32.91**	**31.57**
130,272	American Express Co.	42,718	4.65	
466,660	Ball Corp.	31,081	3.38	
101,615	Capital One Financial Corp.	20,575	2.24	
481,835	ISS AS	17,184	1.87	
265,047	Johnson Controls International PLC	38,033	4.14	
169,279	Schneider Electric SE	55,550	6.04	
93,045	Siemens AG	27,310	2.97	
113,812	Visa, Inc.	36,032	3.92	
711,932	Weir Group PLC	34,019	3.70	
	Insurance	**43,082**	**4.69**	**4.94**
1,028,500	Tokio Marine Holdings, Inc.	43,082	4.69	
	Media	**14,683**	**1.60**	**0.00**
184,719	CTS Eventim AG & Co. KGaA	14,683	1.60	

Portfolio statement

Investments (continued)

Holding		as at 28.02.26 $'000	as at 28.02.26 %	as at 31.08.25 %
	Equities (continued)			
	Personal care, drug and grocery stores	**43,172**	**4.70**	**4.80**
138,903	Reckitt Benckiser Group PLC	11,901	1.30	
430,771	Unilever PLC	31,271	3.40	
	Retail	**25,609**	**2.79**	**1.62**
1,557,880	WH Smith PLC	14,246	1.55	
467,148	Zalando SE	11,363	1.24	
	Technology	**251,384**	**27.35**	**27.70**
48,045	Adobe, Inc.	12,309	1.34	
254,137	Alphabet, Inc.	77,959	8.48	
20,203	ASML Holding NV	29,151	3.17	
35,956	Intuit, Inc.	13,702	1.49	
98,304	Manhattan Associates, Inc.	13,675	1.49	
149,061	Microsoft Corp.	59,372	6.46	
61,549	Synopsys, Inc.	25,904	2.82	
292,000	Tencent Holdings Ltd.	19,312	2.10	
	Utilities	**18,841**	**2.05**	**1.00**
781,961	Orsted AS	18,841	2.05	
Total portfolio		**906,543**	**98.64**	**98.37**
Net other assets/(liabilities)		**12,534**	**1.36**	**1.63**
Net assets attributable to shareholders		**919,077**	**100.00**	**100.00**

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

M&G Global Sustain Paris Aligned Fund

Portfolio statement

Top ten portfolio transactions for the six months to 28 February 2026

Largest purchases	$'000
Intuit, Inc.	19,503
CTS Eventim AG & Co. KGaA	17,963
Zalando SE	12,269
Synopsys, Inc.	11,900
Ball Corp.	9,722
Microsoft Corp.	4,086
Alphabet, Inc.	3,616
Siemens AG	3,407
Schneider Electric SE	2,617
American Express Co.	2,441
Other purchases	32,190
Total purchases	**119,714**

Largest sales	$'000
ING Groep NV	23,638
Capital One Financial Corp.	17,098
Alphabet, Inc.	15,984
Microsoft Corp.	11,673
Johnson Controls International PLC	11,488
ASML Holding NV	9,620
Siemens AG	8,646
Synopsys, Inc.	7,639
American Express Co.	6,853
Bank of New York Mellon Corp.	4,660
Other sales	57,141
Total sales	**174,440**

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	+3.5	+8.7	+9.3	+11.3
Class 'A' Accumulation	+3.5	+8.7	+9.3	+11.3
Class 'I' Income	+3.7	+9.1	+9.7	+11.9
Class 'I' Accumulation	+3.7	+9.1	+9.7	+11.9
Class 'PP' Income	+3.7	+9.3	n/a	n/a
Class 'PP' Accumulation	+3.7	+9.3	n/a	n/a
Class 'R' Income	+3.6	+8.9	+9.5	+11.6
Class 'R' Accumulation	+3.6	+8.9	+9.5	+11.6
Benchmark	**+10.3**	**+17.0**	**+13.9**	**+14.3**

[a] Not annualised.

Comparative tables

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

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 19 December 1967.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	345,400	291,040	296,827
Number of shares	34,977,391	30,504,740	32,205,189
Closing NAV per share (UK p)	733.22	708.44	699.69
Operating charges (%)	1.10	1.10	1.14

Sterling Class 'A' Accumulation shares

The share class was launched on 19 December 1967.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	165,645	173,494	183,992
Number of shares	7,562,125	8,197,269	9,130,687
Closing NAV per share (UK p)	1,626.41	1,571.59	1,529.77
Operating charges (%)	1.10	1.10	1.14

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	59,015	53,922	68,601
Number of shares	1,190,037	1,127,671	1,491,071
Closing NAV per share (UK p)	3,682.10	3,550.65	3,492.73
Operating charges (%)	0.70	0.70	0.74

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	249,432	312,674	343,339
Number of shares	4,190,042	5,446,846	6,307,167
Closing NAV per share (UK p)	4,420.08	4,262.56	4,132.58
Operating charges (%)	0.70	0.70	0.74

Sterling Class 'PP' Income shares

The share class was launched on 2 September 2021.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	18,188	20,147	18,873
Number of shares	10,515,552	12,086,072	11,778,438
Closing NAV per share (UK p)	128.43	123.78	121.64
Operating charges (%)	0.60	0.60	0.60

Sterling Class 'PP' Accumulation shares

The share class was launched on 2 September 2021.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	56,257	59,991	20,402
Number of shares	30,679,642	33,944,192	12,185,179
Closing NAV per share (UK p)	136.15	131.23	127.11
Operating charges (%)	0.60	0.60	0.60

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	3,966	4,167	4,619
Number of shares	819,191	891,404	1,024,371
Closing NAV per share (UK p)	359.51	347.11	342.30
Operating charges (%)	0.95	0.95	0.99

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	21,174	22,971	24,006
Number of shares	3,680,338	4,135,284	4,545,823
Closing NAV per share (UK p)	427.19	412.48	400.90
Operating charges (%)	0.95	0.95	0.99

Financial statements and notes

Financial statements

Statement of total return

for the six months to 28 February	2026		2025	
	$'000	$'000	$'000	$'000
Income				
Net capital gains/(losses)		31,900		(27,260)
Revenue	5,470		6,107	
Expenses	(4,315)		(4,253)	
Interest payable and similar charges	(5)		(3)	
Net revenue/(expense) before taxation	1,150		1,851	
Taxation	(735)		(1,038)	
Net revenue/(expense) after taxation		415		813
Total return before equalisation		**32,315**		**(26,447)**
Equalisation		10		(30)
Change in net assets attributable to shareholders from investment activities		**32,325**		**(26,477)**

Statement of change in net assets attributable to shareholders

for the six months to 28 February	2026		2025	
	$'000	$'000	$'000	$'000
Opening net assets attributable to shareholders		**938,406**		**960,659**
Amounts received on issue of shares	73,799		67,573	
Amounts paid on cancellation of shares	(125,559)		(88,194)	
		(51,760)		(20,621)
Dilution adjustments		96		33
Change in net assets attributable to shareholders from investment activities (see above)		32,325		(26,477)
Unclaimed distributions		10		23
Closing net assets attributable to shareholders		**919,077**		**913,617**

The opening net assets attributable to shareholders for 2026 differs to the closing position in 2025 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	28 February 2026 $'000	31 August 2025 $'000
Assets		
Fixed assets		
Investments	906,543	923,087
Current assets		
Debtors	2,503	5,656
Cash and bank balances	885	281
Cash equivalents	13,040	18,394
Total assets	**922,971**	**947,418**
Liabilities		
Creditors		
Bank overdrafts	0	(32)
Distribution payable	0	(5,397)
Other creditors	(2,748)	(2,586)
Deferred tax provision	(1,146)	(997)
Total liabilities	**(3,894)**	**(9,012)**
Net assets attributable to shareholders	**919,077**	**938,406**

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 9 February 2026 has been used.

Investment objective

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

Investment policy

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

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

Derivatives may be used for efficient portfolio management.

Investment approach

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

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

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

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

Benchmark

MSCI ACWI Index

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

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

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

Risk profile

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

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

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.

Authorised Corporate Director's Report

Investment review

For the six months ended 28 February 2026

Performance against objective

Between 1 September 2025 (the start of the review period) and 28 February 2026, the fund delivered a positive total return (the combination of income and growth of capital) across all its share classes. All the share classes except the EUR C and the USD C share classes, underperformed the benchmark, the MSCI ACWI Index, which returned 12.3% in sterling.

Over five years, the fund generated a positive total return across all its share classes but lagged the benchmark which returned 13.1% pa in sterling. Consequently, the fund did not meet the objective of providing a higher total return, net of the ongoing charge figure, than that of the MSCI ACWI Index over any five-year period.

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

Performance review

Over the six months to the end of February 2026, global equity markets delivered strong gains, supported by a combination of interest rate cuts, resilient economic data and sustained investor enthusiasm for select growth themes. Early in the review period, markets responded positively to the US Federal Reserve's (Fed) long-anticipated interest rate cut, with expectations of further cuts becoming increasingly embedded. This underpinned a broad rally that pushed the MSCI ACWI Index to some all-time highs.

Performance was initially led by the US and Asia Pacific ex Japan, with emerging markets also making a strong contribution. Technology-heavy industries, particularly from large US companies, played an important role early on, although sentiment towards the sector became more volatile later in the period amid concerns about stretched company valuations and the sustainability of artificial intelligence (AI)-related gains.

By contrast, defensive areas of the market saw mixed performance as investors moved between optimism and caution.

As the period progressed, gains spread across a wider range of markets and sectors. Shares linked to commodities became more important drivers of returns, as higher oil and metal prices boosted materials and energy companies. Industrials also performed well, reflecting improving breadth and confidence in global activity. Interest-rate sensitive sectors such as utilities and real estate regained support towards the end of the period.

From a regional perspective, emerging markets, Asia Pacific ex Japan and Japan were notable outperformers later in the review period, while Europe delivered solid returns supported by core markets. The US lagged towards the end of the period, particularly as technology stocks came under renewed pressure, despite major indices continuing to register new highs. Overall, markets delivered strong returns over the six months, with different sectors taking turns to lead and more areas of the market performing well.

Fund Review

Against this backdrop, the fund delivered positive returns across all share classes, although many of these lagged the benchmark.

Over the period, the fund's relative performance was driven primarily by sector allocation. An above-benchmark (overweight) allocation to the energy and materials sectors supported returns, helped by strong performances from Franco-Nevada and PrairieSky Royalty. Franco-Nevada benefited from rising precious-metal prices, while PrairieSky was supported by improving conditions in energy markets and solid operational progress. These positions were among the strongest contributors to relative performance.

Stock selection within technology also added value. ASML performed strongly as demand for advanced semiconductor equipment remained robust, particularly linked to investment in AI-related infrastructure. Micron Technology was another key contributor, with its shares

Authorised Corporate Director's Report

rising sharply on improving conditions in the memory-chip market and stronger earnings expectations.

A below-benchmark (underweight) position in financials further boosted relative returns. While some individual financial holdings performed well, the overall underweight helped protect performance during periods when parts of the sector struggled.

However, performance was partially offset by positions elsewhere in the portfolio. An overweight exposure to real estate detracted, with American Tower among the weaker performers over the period. An underweight position in industrials also weighed on relative returns, limiting the benefit from stronger-performing areas of the market.

Several individual stocks detracted from performance. Novo Nordisk weakened amid company-specific concerns, while Pony AI detracted following a challenging period for newer AI-related holdings. In addition, holdings in Alphabet and Tencent detracted over the period.

Overall, the period highlighted the importance of stock selection, with strong contributions from a small number of high-conviction holdings offsetting areas of weakness elsewhere in the portfolio.

Investment activities

Several new investments were added to the portfolio during the period where the managers saw attractive long-term opportunities. Salesforce was introduced to gain exposure to enterprise software, supported by strong levels of future revenue already contracted. The fund also initiated a position in Fermi, an early-stage energy and power infrastructure business focused on supplying electricity to data-centre developments, which we see as well placed to benefit from growing AI-related power demand.

We also added Samsung Electronics, reflecting improving prospects in memory chips used in AI data centres, and Pony AI, a Chinese autonomous-driving business where the managers believe the long-term opportunity is not fully reflected in the share price. In January, Danone was added to provide exposure to long-term nutrition and health trends.

On the sales side, Martin Marietta Materials was fully sold after a long period of strong performance, as the valuation appeared less attractive in our view. We also sold QUALCOMM and Oracle, as we felt the balance of risk and reward had become less favourable.

Outlook

After a strong turnaround in 2025 it is encouraging to see this momentum continue into early 2026. The first two months of the year have been marked by rising geopolitical tensions and periods of sharp market volatility, particularly in precious metals, energy and software.

The market has recently favoured companies linked to commodities and the economic cycle, while technology stocks have fallen out of favour. We are a rare example of an equity thematic fund in having overweight positions in areas such as energy, materials, utilities and real estate.

Thematic investing allows us to invest across different styles and industries. While we have exposure to sectors that are currently back in favour, our main driver remains stock specific selection, reflecting our fundamentals-based approach. Our goal is to identify strong businesses where exposure to one of our key growth themes is not fully reflected in the current share price.

Maintaining valuation discipline is especially important in a market driven by narratives, where crowding is becoming more common. Our investment process continues to focus on careful capital allocation across themes driven by rigorous bottom-up analysis. trends can generate profitable growth for a variety of stakeholders, including employees, customers, shareholders and broader society.

The fund's strict valuation approach prevents the temptation of being pulled into overpaying for the current market darlings and the ability to generate cashflow is absolutely critical in our company analysis. In our view, fundamentals and value are the key

Authorised Corporate Director's Report

determinants of long-term return. Valuation is a crucial aspect of our stock selection process and we remain as optimistic as ever about the long-term prospects of the companies we are invested in and remain committed to our investment mantra: themes grounded in reality.

Alex Araujo
Fund manager

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

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

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

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

Portfolio statement

Investments

Holding		as at 28.02.26 $'000	as at 28.02.26 %	as at 31.08.25 %
	Equities	**3,309,543**	**98.74**	**98.57**
	Australia	**68,409**	**2.04**	**1.98**
10,506,139	APA Group	68,409	2.04	
326,423	Erinbar Ltd.[a]	0	0.00	
	Austria	**49,694**	**1.48**	**1.41**
411,594	Erste Group Bank AG	49,694	1.48	
	Canada	**457,711**	**13.66**	**13.50**
1,437,209	Brookfield Corp.	65,068	1.94	
442,364	Cameco Corp.	51,936	1.55	
1,286,846	Enbridge, Inc.	67,285	2.01	
491,992	Franco-Nevada Corp.	136,263	4.07	
6,166,962	PrairieSky Royalty Ltd.	137,159	4.09	
	Cayman Islands	**151,682**	**4.53**	**3.05**
5,211,300	Pony AI, Inc.	78,037	2.33	
369,166	Pony AI, Inc. ADR	5,445	0.16	
1,031,200	Tencent Holdings Ltd.	68,200	2.04	
	China	**77,377**	**2.31**	**2.62**
2,541,513	BYD Co. Ltd.	30,591	0.91	
937,100	Contemporary Amperex Technology Co. Ltd.	46,786	1.40	
	Denmark	**22,971**	**0.69**	**2.58**
614,034	Novo Nordisk AS	22,971	0.69	
	France	**111,673**	**3.33**	**1.43**
704,487	Danone SA	60,129	1.79	
306,915	Vinci SA	51,544	1.54	
	Germany	**102,711**	**3.06**	**2.98**
170,036	Hannover Rueck SE	51,213	1.53	
175,453	Siemens AG	51,498	1.53	
	Hong Kong	**67,016**	**2.00**	**2.00**
6,050,968	AIA Group Ltd.	67,016	2.00	
	Japan	**229,426**	**6.84**	**5.51**
748,800	Shimano, Inc.	80,265	2.39	
8,464,000	Toray Industries, Inc.	72,836	2.17	
3,105,000	Toyota Motor Corp.	76,325	2.28	

Portfolio statement

Investments (continued)

Holding		as at 28.02.26 $'000	as at 28.02.26 %	as at 31.08.25 %
	Equities (continued)			
	Netherlands	**67,061**	**2.00**	**2.54**
46,476	ASML Holding NV	67,061	2.00	
	Singapore	**49,273**	**1.47**	**1.51**
1,091,875	DBS Group Holdings Ltd.	49,273	1.47	
	South Korea	**65,675**	**1.96**	**0.00**
436,985	Samsung Electronics Co. Ltd.	65,675	1.96	
	Switzerland	**60,778**	**1.81**	**1.63**
240,045	Garmin Ltd.	60,778	1.81	
	United Kingdom	**66,716**	**1.99**	**2.09**
323,049	AstraZeneca PLC	66,716	1.99	
	United States	**1,661,370**	**49.57**	**53.74**
415,444	Alphabet, Inc.	127,442	3.80	
414,791	Amazon.com, Inc.	85,596	2.55	
451,389	American Tower Corp.	83,463	2.49	
304,770	American Water Works Co., Inc.	40,934	1.22	
303,945	Amgen, Inc.	115,232	3.44	
660,782	Apple, Inc.	179,574	5.36	
332,203	Cheniere Energy, Inc.	77,222	2.30	
1,208,877	CSX Corp.	51,548	1.54	
147,647	Elevance Health, Inc.	47,645	1.42	
118,909	Equinix, Inc.	112,633	3.36	
1,459,539	Fermi, Inc.	15,865	0.47	
234,197	Lululemon Athletica, Inc.	43,367	1.29	
103,186	Meta Platforms, Inc.	67,305	2.01	
118,082	Micron Technology, Inc.	48,147	1.44	
334,223	Microsoft Corp.	133,124	3.97	
108,885	Motorola Solutions, Inc.	51,329	1.53	
537,049	NextEra Energy, Inc.	49,657	1.48	
808,592	NVIDIA Corp.	149,307	4.46	
156,274	Republic Services, Inc.	35,071	1.05	
175,716	Salesforce, Inc.	34,089	1.02	

Portfolio statement

Investments (continued)

Holding		as at 28.02.26 $'000	as at 28.02.26 %	as at 31.08.25 %
	Equities (continued)			
	United States (continued)			
213,522	Visa, Inc.	67,599	2.02	
1,835,554	Weyerhaeuser Co.	45,221	1.35	
Total portfolio		**3,309,543**	**98.74**	**98.57**
Net other assets/(liabilities)		**42,134**	**1.26**	**1.43**
Net assets attributable to shareholders		**3,351,677**	**100.00**	**100.00**

All securities are on an official stock exchange listing except where referenced.
[a] Unlisted/unquoted.

Portfolio statement

Top ten portfolio transactions for the six months to 28 February 2026

Largest purchases	$'000
Pony AI, Inc.	93,540
Danone SA	56,996
Fermi, Inc.	53,951
Salesforce, Inc.	51,108
Alphabet, Inc.	42,614
Visa, Inc.	35,652
Shimano, Inc.	34,995
Microsoft Corp.	31,992
Samsung Electronics Co. Ltd.	31,830
Apple, Inc.	23,657
Other purchases	285,177
Total purchases	**741,512**

Largest sales	$'000
Alphabet, Inc.	65,595
QUALCOMM, Inc.	65,086
ASML Holding NV	61,362
Amazon.com, Inc.	59,231
Franco-Nevada Corp.	43,409
Novo Nordisk AS	43,206
Oracle Corp.	36,318
Cameco Corp.	35,555
Meta Platforms, Inc.	35,293
Martin Marietta Materials, Inc.	32,766
Other sales	381,837
Total sales	**859,658**

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
Euro				
Class 'A' Income	+10.4	+9.6	+8.6	+10.0
Class 'A' Accumulation	+10.4	+9.6	+8.6	+10.0
Class 'C' Income	+11.0	+10.7	+9.7	+11.1
Class 'C' Accumulation	+11.0	+10.7	+9.7	+11.1
Benchmark (EUR)	**+10.8**	**+17.0**	**+12.9**	**+12.3**
Sterling				
Class 'A' Income	+12.0	+10.2	+9.5	+11.7
Class 'A' Accumulation	+12.0	+10.2	+9.5	+11.7
Class 'I' Income	+12.2	+10.7	+9.9	+12.3
Class 'I' Accumulation	+12.2	+10.7	+9.9	+12.3
Class 'PP' Income	+12.3	+10.9	+10.1	n/a
Class 'PP' Accumulation	+12.3	+10.9	+10.1	n/a
Class 'R' Income	+12.1	+10.4	+9.6	+12.0
Class 'R' Accumulation	+12.0	+10.4	+9.6	+12.0
Benchmark (GBP)	**+12.3**	**+17.1**	**+13.1**	**+13.6**
US dollar				
Class 'A' Accumulation	+11.7	+13.6	+8.1	+10.9
Class 'C' Accumulation	+12.2	+14.7	n/a	n/a
Benchmark (USD)	**+11.8**	**+21.3**	**+12.2**	**+13.2**

[a] Not annualised.

Financial highlights

Comparative tables

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

Financial highlights

Euro Class 'A' Income shares

The share class was launched on 12 July 2013.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	6,729	5,882	5,833
Number of shares	105,281	102,702	115,811
Closing NAV per share (Euro ¢)	5,415.33	4,908.29	4,546.10
Operating charges (%)	1.86	1.86	1.97

Euro Class 'A' Accumulation shares

The share class was launched on 28 November 2001.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	2,251,360	2,075,293	1,911,052
Number of shares	29,494,106	30,340,547	32,291,500
Closing NAV per share (Euro ¢)	6,467.76	5,862.44	5,341.27
Operating charges (%)	1.86	1.86	1.97

Euro Class 'C' Income shares

The share class was launched on 8 August 2014.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	16	14	12
Number of shares	204	204	204
Closing NAV per share (Euro ¢)	6,676.42	6,021.08	5,521.39
Operating charges (%)	0.86	0.86	0.97

Euro Class 'C' Accumulation shares

The share class was launched on 28 November 2001.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	7,081	6,479	5,742
Number of shares	73,333	75,251	77,851
Closing NAV per share (Euro ¢)	8,182.00	7,379.41	6,656.68
Operating charges (%)	0.86	0.86	0.97

Sterling Class 'A' Income shares

The share class was launched on 28 February 1973.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	199,942	182,977	169,204
Number of shares	9,224,898	9,449,858	9,995,020
Closing NAV per share (UK p)	1,609.31	1,438.29	1,285.16
Operating charges (%)	1.26	1.26	1.37

Sterling Class 'A' Accumulation shares

The share class was launched on 28 February 1973.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	331,641	317,297	314,140
Number of shares	8,475,802	9,076,714	10,448,546
Closing NAV per share (UK p)	2,905.26	2,596.63	2,282.44
Operating charges (%)	1.26	1.26	1.37

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	63,192	58,823	64,360
Number of shares	1,669,885	1,743,441	2,190,644
Closing NAV per share (UK p)	2,809.77	2,506.18	2,230.37
Operating charges (%)	0.86	0.86	0.97

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	426,852	399,813	390,762
Number of shares	9,049,380	9,506,364	10,846,045
Closing NAV per share (UK p)	3,502.32	3,124.04	2,735.10
Operating charges (%)	0.86	0.86	0.97

Financial highlights

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	6,753	6,326	5,161
Number of shares	2,966,073	3,119,291	2,928,222
Closing NAV per share (UK p)	169.05	150.64	133.79
Operating charges (%)	0.66	0.66	0.77

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	6,951	6,765	5,583
Number of shares	2,447,614	2,674,445	2,581,698
Closing NAV per share (UK p)	210.87	187.91	164.18
Operating charges (%)	0.66	0.66	0.77

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	6,480	6,028	5,670
Number of shares	1,752,415	1,826,245	1,967,894
Closing NAV per share (UK p)	274.54	245.18	218.74
Operating charges (%)	1.11	1.11	1.22

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	26,174	26,047	25,608
Number of shares	5,739,204	6,397,550	7,324,146
Closing NAV per share (UK p)	338.62	302.42	265.42
Operating charges (%)	1.11	1.11	1.22

US dollar Class 'A' Accumulation shares

The share class was launched on 9 March 2007.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	18,494	17,376	18,165
Number of shares	683,189	716,356	865,545
Closing NAV per share (US ¢)	2,706.94	2,425.63	2,098.70
Operating charges (%)	1.86	1.86	1.97

US dollar Class 'C' Accumulation shares

The share class was launched on 17 November 2022.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	12	11	9
Number of shares	800	800	800
Closing NAV per share (US ¢)	1,544.42	1,377.12	1,179.64
Operating charges (%)	0.86	0.86	0.97

Financial statements and notes

Financial statements

Statement of total return

for the six months to 28 February	2026		2025	
	$'000	$'000	$'000	$'000
Income				
Net capital gains/(losses)		363,191		90,534
Revenue	23,483		24,647	
Expenses	(25,720)		(23,132)	
Interest payable and similar charges	0		(1)	
Net revenue/(expense) before taxation	(2,237)		1,514	
Taxation	(2,803)		(4,182)	
Net revenue/(expense) after taxation		(5,040)		(2,668)
Total return before equalisation		**358,151**		**87,866**
Equalisation		71		(20)
Change in net assets attributable to shareholders from investment activities		**358,222**		**87,846**

Statement of change in net assets attributable to shareholders

for the six months to 28 February	2026		2025	
	$'000	$'000	$'000	$'000
Opening net assets attributable to shareholders		**3,109,131**		**2,921,301**
Amounts received on issue of shares	7,746		7,557	
Amounts paid on cancellation of shares	(123,446)		(144,263)	
		(115,700)		(136,706)
Change in net assets attributable to shareholders from investment activities (see above)		358,222		87,846
Unclaimed distributions		24		19
Closing net assets attributable to shareholders		**3,351,677**		**2,872,460**

The opening net assets attributable to shareholders for 2026 differs to the closing position in 2025 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	28 February 2026 $'000	31 August 2025 $'000
Assets		
Fixed assets		
Investments	3,309,543	3,064,523
Current assets		
Debtors	14,958	10,863
Cash and bank balances	4,872	3,009
Cash equivalents	29,446	40,824
Total assets	**3,358,819**	**3,119,219**
Liabilities		
Creditors		
Bank overdrafts	0	(387)
Distribution payable	0	(4,312)
Other creditors	(7,142)	(5,389)
Total liabilities	**(7,142)**	**(10,088)**
Net assets attributable to shareholders	**3,351,677**	**3,109,131**

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 9 February 2026 has been used.

Investment objective

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

Investment policy

At least 80% of the fund is invested directly in equity securities and equity-related instruments of companies across any sectors and market capitalisations that are incorporated, domiciled, or do most of their business in Japan. The fund usually holds a concentrated portfolio of fewer than 60 companies.

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

Derivatives may be used for efficient portfolio management and hedging.

Investment approach

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

The investment approach aims to exploit price volatility.

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

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

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

Benchmark

MSCI Japan Index

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

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

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

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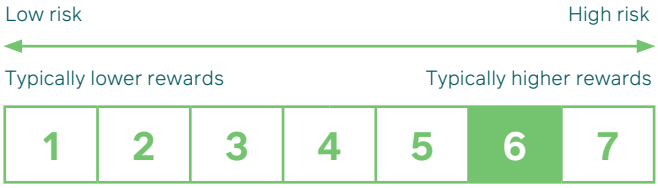
Risk profile

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

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



The above number:

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

Investment review

For the six months ended 28 February 2026

Performance against objective

Between 1 September 2025 and 28 February 2026 (the period under review), the fund delivered positive returns across all share classes, and outperformed its benchmark, the MSCI Japan Index, which gained 23.2% over the same period.

Over five years, the fund generated an annualised positive return across its share classes and outperformed the benchmark, which returned 10.9% pa over the period. Therefore, the fund achieved its objective to provide a combination of capital growth and income, net of the ongoing charge figure, higher than that of the MSCI Japan Index over any five-year period.

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

Performance review

During the review period the Japanese equity market made sharp gains and extended its 11-month rally in February. Early in the fourth quarter of 2025, interest in artificial intelligence (AI) gained momentum in Japan, with many IT-related companies emerging as beneficiaries. The Japanese market rallied following the election of Sanae Takaichi as Prime Minister, whose pro-growth agenda was warmly received by investors. The new prime minister also unveiled a massive stimulus package designed to spur economic growth in mid-November. Towards the end of 2025 the Bank of Japan raised rates by 0.25% to around 0.75%, their highest level in 30 years, continuing a 'normalisation' process that began in 2024.

Japan performed strongly in January, supported by renewed optimism following Prime Minister Takaichi's call for a snap election, which investors interpreted as supportive for pro-growth fiscal policy. The LDP's landslide victory in February provided further material for investor optimism.

Against this backdrop, the fund generated a positive return and outperformed its benchmark.

The leading contributors were Resonac Holdings, Mitsui and SCREEN Holdings. Resonac Holdings contributed meaningfully to relative performance as the stock rallied thanks to a combination of optimism around electronics-materials earnings and renewed confidence in the company's structural reform, following management's plan to spin off both the graphite electrode and petrochemical businesses later this year. Having already divested 16 non-core operations over the past two years, these two separations would decisively reposition Resonac toward higher-growth, higher-return activities.

Conversely, the leading detractors included NTT, Socionext and Yamato. Despite the fall in NTT's share price we still like this stock as it has arguably one of the most coordinated and technically credible photonics development roadmaps globally. While the market has yet to meaningfully price-in this potential, we have

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chosen to maintain exposure to NTT as a relatively stable way of gaining exposure to of this emerging theme area.

Socionext has added value in the past, notably following our participation in its IPO. We bought the shares again earlier in the fourth quarter based on our assessment of the company's longer-term potential. Socionext designs specialist chips used in areas positioned at the intersection of AI infrastructure and advanced semiconductor manufacturing. The share price declined significantly during the review period after the company disclosed disappointing expectations for near-term profits. This presents a clear short-term challenge, and we continue to actively review our positioning in the stock.

Investment activities

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

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

During the review period, we added new positions in Sumitomo Electric, Ajinomoto, Japan Post Holdings, Tokio Marine, Advantest, Socionext and Shin-Etsu Chemical.

The fund switched from Japan Post Bank to Japan Post Holding during the fourth quarter. The stock price increased materially for Japan Post Bank in the nine months since we initiated the position, which gave us an opportunity to rotate into a more attractive proposition in Japan Post Holding.

Conversely, we exited our positions in Aisin, Japan Post Bank and Fuji Electric.

Outlook

Japan's equity market continues to benefit from long-running corporate reforms and company-driven improvements. This trend is accelerating and still has room to grow. Importantly, Japan's market returns are coming from a wide range of sectors – not just AI. Since ChatGPT's launch, about 70% of Japan's equity gains have come from non-AI areas, unlike the US, where AI stocks dominate returns. Broad and balanced returns are often more sustainable.

Japan is still an important part of the global AI ecosystem. Its companies make key components such as semiconductors, testing equipment, advanced materials, precision tools, and factory automation. As AI moves from training to real-world use, these areas – especially robotics – become even more valuable.

On the broader economic side, inflation has shifted from being a drag to a helpful force, encouraging investment and supporting corporate confidence. Risks remain around fiscal policy, bond markets and currency movements, but Japan's way of structuring its debt and its savings base help limit crisis concerns.

Carl Vine
Fund manager

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

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

Portfolio statement

Investments

Holding		as at 28.02.26 ¥'000	as at 28.02.26 %	as at 31.08.25 %
	Equities	**1,061,258,805**	**99.00**	**99.48**
	Automobiles and parts	**108,472,402**	**10.12**	**10.19**
7,390,900	Honda Motor Co. Ltd.	11,741,318	1.10	
1,509,371	REE Automotive Ltd.	134,899	0.01	
1,774,700	Sumitomo Electric Industries Ltd.	18,474,162	1.72	
830,100	Toyota Industries Corp.	16,767,652	1.57	
16,010,600	Toyota Motor Corp.	61,354,371	5.72	
	Banks	**85,206,935**	**7.95**	**9.73**
18,802,000	Mitsubishi UFJ Financial Group, Inc.	55,724,125	5.20	
4,121,300	Mizuho Financial Group, Inc.	29,482,810	2.75	
	Chemicals	**49,144,914**	**4.58**	**2.64**
2,133,300	Resonac Holdings Corp.	25,405,005	2.37	
1,929,300	Shin-Etsu Chemical Co. Ltd.	11,921,919	1.11	
8,809,300	Toray Industries, Inc.	11,817,990	1.10	
	Consumer products and services	**58,317,738**	**5.44**	**7.38**
4,664,500	Nikon Corp.	9,345,633	0.87	
993,100	Nintendo Co. Ltd.	8,938,682	0.84	
4,435,400	Panasonic Holdings Corp.	11,268,573	1.05	
7,914,000	Sony Group Corp.	28,764,850	2.68	
	Financial services	**51,382,703**	**4.79**	**5.07**
9,573,500	Nomura Holdings, Inc.	13,907,033	1.30	
6,736,300	ORIX Corp.	37,475,670	3.49	
	Food, beverage and tobacco	**23,002,360**	**2.15**	**1.01**
2,908,600	Ajinomoto Co., Inc.	14,457,157	1.35	
3,275,200	Yakult Honsha Co. Ltd.	8,545,203	0.80	
	Health care	**46,261,183**	**4.32**	**5.65**
4,294,200	Astellas Pharma, Inc.	11,193,694	1.05	
4,232,300	Daiichi Sankyo Co. Ltd.	12,980,923	1.21	
366,500	Hoya Corp.	10,379,819	0.97	
4,332,000	Olympus Corp.	6,627,525	0.62	
3,568,500	PeptiDream, Inc.	5,079,222	0.47	
	Industrial goods and services	**278,964,485**	**26.02**	**27.55**
1,660,200	AGC, Inc.	11,484,047	1.07	

Portfolio statement

Investments (continued)

Holding		as at 28.02.26 ¥'000	as at 28.02.26 %	as at 31.08.25 %
	Equities (continued)			
	Industrial goods and services (continued)			
2,855,500	Credit Saison Co. Ltd.	13,546,817	1.26	
1,992,300	Dip Corp.	4,015,585	0.37	
3,781,300	East Japan Railway Co.	14,589,441	1.36	
3,927,100	FANUC Corp.	28,000,281	2.61	
6,319,000	Hitachi Ltd.	33,125,299	3.09	
4,787,100	Kanadevia Corp.	5,202,266	0.49	
5,977,100	Keisei Electric Railway Co. Ltd.	8,103,482	0.76	
125,800	Keyence Corp.	8,308,089	0.77	
3,773,700	Mitsubishi Electric Corp.	22,645,038	2.11	
2,452,000	Mitsubishi Heavy Industries Ltd.	12,316,607	1.15	
8,572,100	Mitsui & Co. Ltd.	50,373,452	4.70	
4,206,200	Open Up Group, Inc.	8,016,853	0.75	
2,763,100	Recruit Holdings Co. Ltd.	18,997,173	1.77	
3,653,400	TDK Corp.	8,870,178	0.83	
3,375,700	Ushio, Inc.	10,852,908	1.01	
4,436,000	West Japan Railway Co.	14,876,377	1.39	
2,954,400	Yamato Holdings Co. Ltd.	5,640,592	0.53	
	Insurance	**35,951,659**	**3.35**	**1.05**
6,912,900	Dai-ichi Life Holdings, Inc.	11,156,427	1.04	
6,743,900	Japan Post Holdings Co. Ltd.	13,747,565	1.28	
1,691,800	Tokio Marine Holdings, Inc.	11,047,667	1.03	
	Personal care, drug and grocery stores	**26,606,270**	**2.48**	**3.34**
12,109,900	Seven & i Holdings Co. Ltd.	26,606,270	2.48	
	Real estate	**57,854,795**	**5.40**	**5.61**
5,663,800	Mitsubishi Estate Co. Ltd.	29,940,445	2.79	
13,236,900	Mitsui Fudosan Co. Ltd.	27,914,350	2.61	
	Retail	**11,351,555**	**1.06**	**0.96**
164,500	Fast Retailing Co. Ltd.	11,351,555	1.06	
	Technology	**174,494,477**	**16.28**	**12.08**
569,100	Advantest Corp.	15,309,526	1.43	
4,488,000	Fujitsu Ltd.	16,101,708	1.50	

Portfolio statement

Investments (continued)

Holding		as at 28.02.26 ¥'000	as at 28.02.26 %	as at 31.08.25 %
	Equities (continued)			
	Technology (continued)			
3,853,300	Murata Manufacturing Co. Ltd.	15,858,618	1.48	
4,134,500	NEC Corp.	17,955,706	1.68	
6,105,500	Renesas Electronics Corp.	18,178,550	1.70	
7,128,200	Rohm Co. Ltd.	20,502,012	1.91	
892,600	SCREEN Holdings Co. Ltd.	20,469,521	1.91	
2,910,700	Socionext, Inc.	5,903,698	0.55	
2,992,700	Taiyo Yuden Co. Ltd.	14,372,834	1.34	
676,000	Tokyo Electron Ltd.	29,842,304	2.78	
	Telecommunications	**54,247,329**	**5.06**	**7.22**
214,884,200	NTT, Inc.	32,962,365	3.07	
5,223,000	SoftBank Group Corp.	21,284,964	1.99	
	Derivatives	**(3,423)**	**0.00**	**0.00**
	Forwards for share class hedging	**(3,423)**	**0.00**	**0.00**
	Bought GBP7,583,925 for JPY1,603,620,514 Settlement 11/03/2026	(12,357)	0.00	
	Sold GBP5,468,547 for JPY1,156,347,404 Settlement 11/03/2026	8,934	0.00	
Total portfolio		**1,061,255,382**	**99.00**	**99.48**
Net other assets/(liabilities)		**10,730,097**	**1.00**	**0.52**
Net assets attributable to shareholders		**1,071,985,479**	**100.00**	**100.00**

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

Portfolio statement

Top ten portfolio transactions for the six months to 28 February 2026

Largest purchases	¥'000
Advantest Corp.	13,182,339
FANUC Corp.	12,785,909
Japan Post Holdings Co. Ltd.	12,545,928
Sumitomo Electric Industries Ltd.	10,840,620
Shin-Etsu Chemical Co. Ltd.	10,792,190
Ajinomoto Co., Inc.	10,776,124
Tokio Marine Holdings, Inc.	10,680,485
Tokyo Electron Ltd.	9,556,303
Socionext, Inc.	9,550,580
SBI Shinsei Bank Ltd.	9,476,185
Other purchases	73,128,621
Total purchases	**183,315,284**

Largest sales	¥'000
SoftBank Group Corp.	16,298,308
Japan Post Bank Co. Ltd.	15,753,218
Aisin Corp.	15,290,467
Fuji Electric Co. Ltd.	14,373,975
SBI Shinsei Bank Ltd.	12,972,579
East Japan Railway Co.	12,059,804
Mitsubishi Electric Corp.	9,780,825
Mitsubishi Estate Co. Ltd.	8,389,248
Kioxia Holdings Corp.	6,057,000
ORIX Corp.	5,907,390
Other sales	115,280,330
Total sales	**232,163,144**

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	+26.0	+20.0	+15.0	+12.6
Class 'A' Accumulation	+26.0	+20.0	+15.0	+12.6
Class 'I' Income	+26.3	+20.5	+15.4	+13.2
Class 'I' Accumulation	+26.3	+20.5	+15.4	+13.2
Class 'I-H' Accumulation	+35.6	n/a	n/a	n/a
Class 'PP' Income	+26.3	+20.6	+15.6	n/a
Class 'PP' Accumulation	+26.3	+20.6	+15.6	n/a
Class 'PP-H' Accumulation	+35.6	n/a	n/a	n/a
Class 'R' Income	+26.1	+20.2	+15.1	+12.9
Class 'R' Accumulation	+26.1	+20.2	+15.1	+12.9
Benchmark	**+23.2**	**+18.8**	**+10.9**	**+11.2**

[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 9 May 1977.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	14,038,188	20,350,106	16,760,971
Number of shares	64,758,373	124,464,325	116,255,110
Closing NAV per share (UK p)	103.25	82.50	75.34
Operating charges (%)	0.87	0.89	0.91

Sterling Class 'A' Accumulation shares

The share class was launched on 6 April 1971.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	2,333,614	1,801,482	2,076,551
Number of shares	7,977,446	8,224,503	10,971,113
Closing NAV per share (UK p)	139.33	110.52	98.90
Operating charges (%)	0.87	0.89	0.91

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	49,020,633	47,396,787	33,934,355
Number of shares	5,458,597	7,011,161	5,715,703
Closing NAV per share (UK p)	4,277.23	3,411.00	3,102.28
Operating charges (%)	0.47	0.49	0.51

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	186,346,185	139,960,139	124,705,606
Number of shares	16,269,338	16,351,484	16,928,005
Closing NAV per share (UK p)	5,455.26	4,318.86	3,849.38
Operating charges (%)	0.47	0.49	0.51

Sterling Class 'I-H' Accumulation shares

The share class was launched on 14 June 2023.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	280,040	283,765	184,998
Number of shares	649,727	945,671	770,302
Closing NAV per share (UK p)	205.28	151.40	125.49
Operating charges (%)	0.50	0.52	0.53

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	614,838,042	492,729,866	386,247,809
Number of shares	1,480,309,574	1,576,741,392	1,408,765,573
Closing NAV per share (UK p)	197.82	157.68	143.26
Operating charges (%)	0.37	0.39	0.41

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	203,656,713	139,913,795	118,383,944
Number of shares	409,540,434	376,626,082	370,685,002
Closing NAV per share (UK p)	236.85	187.44	166.88
Operating charges (%)	0.37	0.39	0.41

Financial highlights

Sterling Class 'PP-H' Accumulation shares

The share class was launched on 14 June 2023.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	168,259	108,735	7,203
Number of shares	392,659	364,715	30,205
Closing NAV per share (UK p)	204.09	150.43	124.61
Operating charges (%)	0.40	0.42	0.43

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	200,760	153,640	81,260
Number of shares	229,358	232,889	139,898
Closing NAV per share (UK p)	416.90	332.87	303.51
Operating charges (%)	0.72	0.74	0.76

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	1,103,045	781,450	601,205
Number of shares	995,758	942,823	840,728
Closing NAV per share (UK p)	527.60	418.21	373.66
Operating charges (%)	0.72	0.74	0.76

Financial statements and notes

Financial statements

Statement of total return

for the six months to 28 February	2026		2025	
	¥'000	¥'000	¥'000	¥'000
Income				
Net capital gains/(losses)		271,000,260		3,886,823
Revenue	9,001,483		7,395,778	
Expenses	(1,882,749)		(1,502,409)	
Interest payable and similar charges	(220)		(664)	
Net revenue/(expense) before taxation	7,118,514		5,892,705	
Taxation	(900,100)		(739,484)	
Net revenue/(expense) after taxation		6,218,414		5,153,221
Total return before distributions		**277,218,674**		**9,040,044**
Distributions		(7,413,521)		(6,093,505)
Change in net assets attributable to shareholders from investment activities		**269,805,153**		**2,946,539**

Statement of change in net assets attributable to shareholders

for the six months to 28 February	2026		2025	
	¥'000	¥'000	¥'000	¥'000
Opening net assets attributable to shareholders		**843,479,765**		**682,983,902**
Amounts received on issue of shares	57,458,564		77,392,179	
Amounts paid on cancellation of shares	(100,934,236)		(38,859,552)	
		(43,475,672)		38,532,627
Dilution adjustments		13,820		15,253
Change in net assets attributable to shareholders from investment activities (see above)		269,805,153		2,946,539
Retained distributions on Accumulation shares		2,161,456		1,980,353
Unclaimed distributions		957		830
Closing net assets attributable to shareholders		**1,071,985,479**		**726,459,504**

The opening net assets attributable to shareholders for 2026 differs to the closing position in 2025 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	28 February 2026 ¥'000	31 August 2025 ¥'000
Assets		
Fixed assets		
Investments	1,061,267,739	839,098,510
Current assets		
Debtors	3,722,116	4,270,686
Cash and bank balances	14,983,410	11,764,027
Total assets	**1,079,973,265**	**855,133,223**
Liabilities		
Investment liabilities	(12,357)	0
Creditors		
Distribution payable	(4,977,864)	(6,070,662)
Other creditors	(2,997,565)	(5,582,796)
Total liabilities	**(7,987,786)**	**(11,653,458)**
Net assets attributable to shareholders	**1,071,985,479**	**843,479,765**

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 9 February 2026 has been used.

Investment objective

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

Investment policy

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

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

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

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

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

Derivatives may be used for efficient portfolio management and hedging.

Investment approach

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

The investment approach aims to take advantage of price volatility.

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

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

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

Benchmark

Russell/Nomura Mid-Small Cap Index

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

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

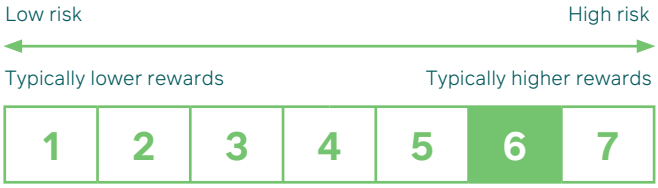
For each share class the benchmark will be denominated or hedged into the relevant share class currency. The benchmark for each share class will be shown in its respective KIID.

Authorised Corporate Director's Report

Risk profile

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

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



The above number:

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

Investment review

For the six months ended 28 February 2026

Performance against objective

Between 1 September 2025 and 28 February 2026 (the period under review), the fund delivered positive returns across all share classes and outperformed its benchmark, the Russell/Nomura Mid-Small Cap Index, which gained 24.3% over the same period.

Over five years, the fund generated an annualised positive return across its share classes and outperformed the benchmark, which returned 10.8% pa over the period. Therefore, the fund achieved its objective to provide a combination of capital growth and income, net of the ongoing charge figure, higher than that of the Russell/Nomura Mid-Small Cap Index over any five-year period.

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

Performance review

During the review period the Japanese equity market made sharp gains and extended its 11-month rally in February. Early in the fourth quarter of 2025, interest in artificial intelligence (AI) gained momentum in Japan, with many IT-related companies emerging as beneficiaries. The Japanese market rallied following the election of Sanae Takaichi as Prime Minister, whose pro-growth agenda was warmly received by investors. The new prime minister also unveiled a massive stimulus package designed to spur economic growth in mid-November. Towards the end of 2025 the Bank of Japan raised rates by 0.25% to around 0.75%, their highest level in 30 years, continuing a 'normalisation' process that began in 2024.

Japan performed strongly in January, supported by renewed optimism following Prime Minister Takaichi's call for a snap election, which investors interpreted as supportive for pro-growth fiscal policy. The LDP's landslide victory in February provided further material for investor optimism.

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

The leading contributors included CKD and Resonac Holdings. Resonac Holdings contributed meaningfully to relative performance as the stock rallied thanks to a combination of optimism around electronics-materials earnings and renewed confidence in the company's structural reform, following management's plan to spin off both the graphite electrode and petrochemical businesses later this year. Having already divested 16 non-core operations over the past two years, these two separations would decisively reposition Resonac toward higher-growth, higher-return activities, in our view.

Conversely, key detractors included Dip, Simplex Holdings and BIPROGY. Dip, an online recruitment platform, experienced a reduction in client recruitment spend across some key customer groups which is

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impacting its near term earnings. The company has maintained cost discipline and we remain excited about the medium-to-longer term opportunity and valuation from here.

Simplex is an IT service firm we have followed since its initial public offering (IPO). We were able to buy this stock at an attractive price after the market overreacted to a slight earnings disappointment, and we feel we have gained exposure to a business that has good growth potential over the next few years. While many IT services companies are under pressure as software moves to cloud-based subscription models, we are careful to focus on those we believe are well placed to benefit from AI, rather than those that may fall behind.

Investment activities

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

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

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

During the quarter we added IT-related names such as Socionext, Anritsu and Sumitomo Electric, along with INFRONEER, a key player in Japan's infrastructure sector trading at a steep discount to peers – a valuation we believe is unjustified given its scale and capabilities. Additionally, we initiated positions in Sanrio, Shiseido, Ajinomoto, Nissin Foods, SBI Shinsei Bank, Japan Post Holdings, Innovacell, Jeol and Tekscend Photomask.

SBI Shinsei Bank, whose IPO we participated in during the quarter, is a rare example in the Japanese banking sector where we see potential earnings growth through a mix of profitable business areas.

The fund also switched its holding from Toyo Suisan to Nissin Foods. While both are food manufacturers, Nissin offers more geographically diversified exposure and a more attractive ownership structure, with near term but temporary issues contributing to undervaluation, in our view. Our investment in Toyo Suisan was profitable, but we see more compelling company-specific drivers for a recovery in Nissin's share price.

We exited our positions in Earth, PILLAR, Nankai Electric Railway, Aisin, Skymark Airlines, NEC and Seibu Giken.

Outlook

Japan's equity market continues to benefit from long-running corporate reforms and company-driven improvements. This trend is accelerating and still has room to grow. Importantly, Japan's market returns are coming from a wide range of sectors – not just AI. Since ChatGPT's launch, about 70% of Japan's equity gains have come from non-AI areas, unlike the US, where AI stocks dominate returns. Broad and balanced returns are often more sustainable.

Japan is still an important part of the global AI ecosystem. Its companies make key components such as semiconductors, testing equipment, advanced materials, precision tools, and factory automation. As AI moves from training to real-world use, these areas – especially robotics – become even more valuable.

On the broader economic side, inflation has shifted from being a drag to a helpful force, encouraging investment and supporting corporate confidence. Risks

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remain around fiscal policy, bond markets and currency movements, but Japan's way of structuring its debt and its savings base help limit crisis concerns.

Carl Vine
Fund manager

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

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

Portfolio statement

Investments

Holding		as at 28.02.26 ¥'000	as at 28.02.26 %	as at 31.08.25 %
	Equities	**40,172,948**	**98.23**	**99.44**
	Automobiles and parts	**2,764,522**	**6.76**	**9.39**
254,900	Honda Motor Co. Ltd.	404,939	0.99	
122,700	Musashi Seimitsu Industry Co. Ltd.	381,355	0.93	
84,700	Niterra Co. Ltd.	667,334	1.63	
127,896	REE Automotive Ltd.	11,431	0.03	
83,500	Sumitomo Electric Industries Ltd.	869,213	2.13	
21,300	Toyota Industries Corp.	430,250	1.05	
	Banks	**1,569,136**	**3.84**	**3.80**
191,900	Japan Post Bank Co. Ltd.	586,074	1.44	
198,300	SBI Shinsei Bank Ltd.	372,763	0.91	
111,400	Sumitomo Mitsui Trust Group, Inc.	610,299	1.49	
	Chemicals	**2,951,823**	**7.22**	**7.49**
212,500	NOF Corp.	664,778	1.63	
72,800	Resonac Holdings Corp.	866,959	2.12	
217,700	T Hasegawa Co. Ltd.	634,751	1.55	
585,400	Toray Industries, Inc.	785,335	1.92	
	Construction and materials	**1,294,854**	**3.17**	**0.00**
493,700	INFRONEER Holdings, Inc.	1,294,854	3.17	
	Consumer products and services	**3,524,676**	**8.62**	**5.09**
275,800	Nikon Corp.	552,583	1.35	
515,600	Noritsu Koki Co. Ltd.	1,169,313	2.86	
79,500	Sanrio Co. Ltd.	455,555	1.11	
272,800	Shiseido Co. Ltd.	898,910	2.20	
264,800	Sumitomo Forestry Co. Ltd.	448,315	1.10	
	Financial services	**2,455,301**	**6.00**	**5.86**
188,500	ORIX Corp.	1,048,671	2.56	
663,155	Sparx Group Co. Ltd.	1,406,630	3.44	
	Food, beverage and tobacco	**2,970,278**	**7.26**	**3.96**
156,300	Ajinomoto Co., Inc.	776,887	1.90	
368,500	Morinaga & Co. Ltd.	1,064,249	2.60	
235,100	Nissin Foods Holdings Co. Ltd.	773,005	1.89	
136,500	Yakult Honsha Co. Ltd.	356,137	0.87	

Portfolio statement

Investments (continued)

Holding		as at 28.02.26 ¥'000	as at 28.02.26 %	as at 31.08.25 %
	Equities (continued)			
	Health care	**1,572,466**	**3.84**	**4.20**
156,300	Innovacell, Inc.	148,954	0.36	
259,415	Kitazato Corp.	389,387	0.95	
233,000	Olympus Corp.	356,467	0.87	
476,101	PeptiDream, Inc.	677,658	1.66	
	Industrial goods and services	**10,507,853**	**25.69**	**33.86**
137,200	Central Security Patrols Co. Ltd.	418,427	1.02	
159,100	CKD Corp.	883,326	2.16	
198,000	Credit Saison Co. Ltd.	939,335	2.30	
358,900	Dip Corp.	723,382	1.77	
127,800	East Japan Railway Co.	493,092	1.21	
20,200	Horiba Ltd.	425,373	1.04	
64,400	Jeol Ltd.	442,895	1.08	
690,900	Kanadevia Corp.	750,819	1.84	
399,800	Keisei Electric Railway Co. Ltd.	542,031	1.32	
680,700	Nippon Thompson Co. Ltd.	730,142	1.78	
327,700	Open Up Group, Inc.	624,583	1.53	
180,600	SBS Holdings, Inc.	763,338	1.87	
119,000	Shibaura Machine Co. Ltd.	548,104	1.34	
129,000	Sumitomo Bakelite Co. Ltd.	775,674	1.90	
264,000	Ushio, Inc.	848,763	2.07	
95,800	Yokogawa Electric Corp.	598,569	1.46	
	Insurance	**606,255**	**1.48**	**0.00**
297,400	Japan Post Holdings Co. Ltd.	606,255	1.48	
	Personal care, drug and grocery stores	**702,402**	**1.72**	**3.84**
319,700	Seven & i Holdings Co. Ltd.	702,402	1.72	
	Real estate	**2,629,349**	**6.43**	**6.21**
2,737,200	Ichigo, Inc.	1,213,154	2.97	
267,900	Mitsubishi Estate Co. Ltd.	1,416,195	3.46	
	Technology	**5,707,696**	**13.96**	**14.97**
116,500	BIPROGY, Inc.	551,794	1.35	
219,500	Nissha Co. Ltd.	299,146	0.73	

Portfolio statement

Investments (continued)

Holding		as at 28.02.26 ¥'000	as at 28.02.26 %	as at 31.08.25 %
	Equities (continued)			
	Technology (continued)			
334,200	Renesas Electronics Corp.	995,049	2.43	
309,000	Rohm Co. Ltd.	888,741	2.17	
23,500	SCREEN Holdings Co. Ltd.	538,913	1.32	
686,400	Simplex Holdings, Inc.	593,091	1.45	
135,900	Socionext, Inc.	275,643	0.68	
111,500	Taiyo Yuden Co. Ltd.	535,493	1.31	
174,300	Tazmo Co. Ltd.	448,989	1.10	
171,781	Tekscend Photomask Corp.	580,837	1.42	
	Telecommunications	**916,337**	**2.24**	**0.00**
302,200	Anritsu Corp.	916,337	2.24	
	Travel and leisure	**0**	**0.00**	**0.77**
Total portfolio		**40,172,948**	**98.23**	**99.44**
Net other assets/(liabilities)		**722,936**	**1.77**	**0.56**
Net assets attributable to shareholders		**40,895,884**	**100.00**	**100.00**

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

M&G Japan Smaller Companies Fund

Portfolio statement

Top ten portfolio transactions for the six months to 28 February 2026

Largest purchases	¥'000
Tekscend Photomask Corp.	1,304,955
INFRONEER Holdings, Inc.	923,850
Shiseido Co. Ltd.	748,900
Nissin Foods Holdings Co. Ltd.	691,544
Anritsu Corp.	633,465
Sanrio Co. Ltd.	605,655
Socionext, Inc.	579,620
Japan Post Holdings Co. Ltd.	570,275
Ajinomoto Co., Inc.	557,640
Morinaga & Co. Ltd.	457,285
Other purchases	6,304,904
Total purchases	**13,378,093**

Largest sales	¥'000
CKD Corp.	1,139,375
Tekscend Photomask Corp.	909,549
NEC Corp.	864,710
PILLAR Corp.	779,192
Toyota Industries Corp.	727,141
Japan Post Bank Co. Ltd.	689,691
SCREEN Holdings Co. Ltd.	681,039
Aisin Corp.	612,929
Orion Breweries Ltd.	597,336
Toyo Suisan Kaisha Ltd.	528,361
Other sales	9,792,426
Total sales	**17,321,749**

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	+24.8	+14.8	+12.3	+12.7
Class 'A' Accumulation	+24.8	+14.8	+12.3	+12.7
Class 'I' Income	+25.1	+15.3	+12.8	+13.3
Class 'I' Accumulation	+25.0	+15.3	+12.8	+13.3
Class 'PP' Income	+25.1	+15.4	n/a	n/a
Class 'PP' Accumulation	+25.1	+15.4	n/a	n/a
Class 'R' Income	+24.9	+15.0	+12.5	+13.1
Class 'R' Accumulation	+24.9	+15.0	+12.5	+13.1
Benchmark	**+24.3**	**+18.4**	**+10.8**	**+10.4**

[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 15 May 1984.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	984,184	760,461	729,033
Number of shares	491,676	502,451	517,859
Closing NAV per share (UK p)	953.37	763.67	735.61
Operating charges (%)	1.10	1.10	1.10

Sterling Class 'A' Accumulation shares

The share class was launched on 15 May 1984.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	2,083,319	1,635,490	1,942,247
Number of shares	819,033	850,279	1,109,923
Closing NAV per share (UK p)	1,211.49	970.53	914.37
Operating charges (%)	1.10	1.10	1.10

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	4,951,325	4,091,637	3,290,693
Number of shares	480,949	526,688	457,229
Closing NAV per share (UK p)	4,903.29	3,919.82	3,760.67
Operating charges (%)	0.70	0.70	0.70

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	22,280,754	19,021,778	26,185,654
Number of shares	1,727,512	1,954,223	2,968,877
Closing NAV per share (UK p)	6,142.91	4,911.33	4,608.74
Operating charges (%)	0.70	0.70	0.70

Sterling Class 'PP' Income shares

The share class was launched on 28 June 2021.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	3,645,527	3,218,934	1,767,651
Number of shares	11,063,146	12,951,611	7,684,847
Closing NAV per share (UK p)	156.94	125.40	120.19
Operating charges (%)	0.60	0.60	0.60

Sterling Class 'PP' Accumulation shares

The share class was launched on 28 June 2021.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	6,124,122	4,835,934	5,508,575
Number of shares	17,043,037	17,841,495	22,450,887
Closing NAV per share (UK p)	171.14	136.76	128.21
Operating charges (%)	0.60	0.60	0.60

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	97,084	65,979	65,234
Number of shares	96,623	86,911	92,522
Closing NAV per share (UK p)	478.55	383.04	368.42
Operating charges (%)	0.95	0.95	0.95

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV (¥'000)	729,569	575,256	573,911
Number of shares	585,317	610,770	670,782
Closing NAV per share (UK p)	593.66	475.23	447.07
Operating charges (%)	0.95	0.95	0.95

Financial statements and notes

Financial statements

Statement of total return

for the six months to 28 February	2026		2025	
	¥'000	¥'000	¥'000	¥'000
Income				
Net capital gains/(losses)		10,080,877		(1,160,225)
Revenue	396,671		428,167	
Expenses	(128,190)		(125,666)	
Interest payable and similar charges	(503)		(55)	
Net revenue/(expense) before taxation	267,978		302,446	
Taxation	(39,665)		(42,812)	
Net revenue/(expense) after taxation		228,313		259,634
Total return before equalisation		**10,309,190**		**(900,591)**
Equalisation		(24,572)		(31,991)
Change in net assets attributable to shareholders from investment activities		**10,284,618**		**(932,582)**

Statement of change in net assets attributable to shareholders

for the six months to 28 February	2026		2025	
	¥'000	¥'000	¥'000	¥'000
Opening net assets attributable to shareholders		**34,205,469**		**40,062,998**
Amounts received on issue of shares	2,597,087		1,471,385	
Amounts paid on cancellation of shares	(6,204,377)		(8,647,550)	
		(3,607,290)		(7,176,165)
Dilution adjustments		13,079		11,253
Change in net assets attributable to shareholders from investment activities (see above)		10,284,618		(932,582)
Unclaimed distributions		8		7
Closing net assets attributable to shareholders		**40,895,884**		**31,965,511**

The opening net assets attributable to shareholders for 2026 differs to the closing position in 2025 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	28 February 2026 ¥'000	31 August 2025 ¥'000
Assets		
Fixed assets		
Investments	40,172,948	34,015,001
Current assets		
Debtors	286,267	110,564
Cash and bank balances	719,980	312,871
Total assets	**41,179,195**	**34,438,436**
Liabilities		
Creditors		
Distribution payable	0	(182,424)
Other creditors	(283,311)	(50,543)
Total liabilities	**(283,311)**	**(232,967)**
Net assets attributable to shareholders	**40,895,884**	**34,205,469**

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 9 February 2026 has been used.

Investment objective

The fund has two aims:

- To provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the S&P 500 Index over any five-year period; and
- To provide an income stream that increases every year in USD terms.

Investment policy

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

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

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

Derivatives may be used for efficient portfolio management and hedging.

Investment approach

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

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

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

Benchmark

S&P 500 Index

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

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

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

Risk profile

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

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

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.

Authorised Corporate Director's Report

Investment review

For the six months ended 28 February 2026

Distribution summary

Over the six-month review period to 28 February 2026, the fund distributed income of 22.9616 pence per sterling Class 'A' Income share. This represents a 3.7% increase from the equivalent period last year. The sterling Class 'I' Income share distributed 28.5996 pence, which is 4.2% higher than the payment made at this stage a year ago. In US dollars, the currency in which the fund's income objective is determined, the distribution rose 9.3% from last year for the sterling Class 'A' Income share and 9.9% for the sterling Class 'I' Income share.

Despite concerns about a bubble in Artificial Intelligence (AI), uncertainty regarding the path of future interest-rate cuts and most recently the risk of geopolitical upheaval in the Middle East, the momentum in US dividends continued during the six months under review. Dividends provide a strong signal of corporate confidence and corporate America remains resolute in its optimism. (Dividends represent a share in the profits of a company and are paid out to the company's shareholders at set times of the year.)

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

Financials provided a source of impressive growth, led by alternative asset manager ARES Management which rewarded shareholders with a 20% dividend increase. American Express raised its dividend by 16%, while Mastercard and Visa boosted their dividends by 14% in digital payments. Progressive, an auto insurer, and CME, an owner and operator of derivatives exchanges, announced special dividends, in line with their cash returns policy.

We have also been encouraged by the robust dividend growth from the fund's technology-related holdings. Microsoft and Broadcom extended their long sequence of dividend growth with a 10% increase in software and semiconductors, respectively, while Vertiv Holdings, a provider of critical infrastructure and services for data centres, raised its dividend by an outsized 67%.

The biggest increase, however, hailed from a more economically sensitive sector. Royal Caribbean doubled its dividend after the cruise line company raised its payment twice during the review period against a backdrop of buoyant demand. Also in the consumer discretionary sector, restaurant chain Texas Roadhouse extended its track record of double-digit dividend growth, while Carrier Global and Gibson Energy announced higher dividends in industrials and energy, respectively.

Healthcare continued to deliver reliable growth among defensive sectors as Thermo Fisher Scientific, Abbott Laboratories, Zoetis, AbbVie and Merck increased their dividends in the core 5-15% range. In utilities, NextEra Energy lifted its dividend by 10%, in line with previous years, while the new holding of T-Mobile US in communication services boosted its payment by 16%. (Defensive stocks are companies that tend to have stable earnings and are less affected by peaks and troughs in the economy.)

There were no dividend cuts during the six months under review, but a handful of holdings delivered more modest levels of growth. The low single-digit increases from Elevance Health and Rexford Industrial Realty fell short of our expectations. We trimmed our holding in Elevance after the share price rose but Rexford remains a core holding. We expect the real estate investment trust (REIT) to step up its pace of dividend growth at the appropriate time.

We are pleased that the majority of the fund's holdings continued to deliver solid, and in some cases spectacular, dividend growth, but remain vigilant about the outlook in light of the uncertainties in the US economy. Balance sheet strength is a key consideration in our company research to ensure that dividends can be sustained in the current climate. We take comfort from the fact that many of our holdings are carrying net

Authorised Corporate Director's Report

cash. While caution is prudent, we continue to believe that the fund is well placed to deliver on its objective of providing a rising income stream.

Performance against objective

Between 1 September 2025 (the start of the review period) and 28 February 2026, the fund delivered a positive total return (the combination of income and growth of capital) across all its share classes but underperformed the S&P 500 Index, which returned 7.6% in sterling.

Over five years, the fund generated double-digit returns across all its share classes, but lagged behind the S&P 500 Index which delivered an annualised return of 15.1% in sterling. Therefore the fund did not meet the objective of providing a higher total return, net of the ongoing charge figure, than that of the S&P 500 Index over any five-year period.

The fund is on track to deliver on the objective of growing the distribution every year in US dollars. The growth in distributed income was 9.3% in US dollars for the sterling Class 'A' Income share and 9.9% in US dollars for the sterling Class 'I' Income share during the six months under review.

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

Performance review

The US stockmarket rose, with the major indices – the S&P 500 Index, Dow Jones Industrial Average and the NASDAQ Composite Index – reaching all-time highs, the notable feature of the latest rally being that different parts of the market were leading the gains. The dominance of the new economy gave way to a broader market with energy leading the gains. Industrials and materials delivered double-digit returns among other sectors with greater economic sensitivity, but financials declined, not helped by weakness in financial services. Defensive stocks were back in favour as healthcare, utilities and consumer staples outperformed. Technology was the major laggard as software stocks bore the brunt of fears about the threat of AI; semiconductors, by contrast, continued to gather momentum as increasing investment in AI fuelled a strong rally for the beneficiaries. Alphabet, the owner of Google, was seen as another winner in the AI race, with the shares jumping more than 40% in US dollars.

Against this backdrop, the fund generated a positive return but underperformed its benchmark, the S&P 500 Index. Intuit and Microsoft held back returns as concerns about AI disruption led to an indiscriminate selloff in software stocks. The negative sentiment quickly spilled over into other industries. ARES Management and Blue Owl Capital fell as alternative asset managers were punished for their software exposure, although the fund benefited from its zero exposure to insurance brokerages and wealth managers which succumbed to similar treatment on potential AI risk.

Sector allocation detracted as the negative effect of an overweight relative to the benchmark in financials and a below benchmark (underweight) position in industrials overshadowed the positive contribution from an overweight in healthcare and an underweight in technology.

Stock selection also added value in technology, with Seagate Technology and Lam Research leading the gains in data storage and semiconductors, respectively. Both stocks doubled during the six months under review. Equinix and Vertiv, which are exposed to the growth in data centres, also rallied strongly. In defensive sectors, NextEra Energy outperformed in utilities, while McKesson climbed to an all-time high in healthcare.

Investment activities

We made three new purchases and four complete sales during the six-month review period, a level of turnover consistent with our long-term investment horizon of three to five years. The number of holdings decreased to 45.

We initiated a holding in T-Mobile US, which offers double-digit growth in a defensive sector on a reasonable starting valuation. We also added to Abbott Laboratories after a stock price dip. The stock fell after the healthcare company cut prices in its nutrition

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business to deliver volume growth over the long term. We see this development as a warning sign for the consumer staples sector which has been overly reliant on price increases and is likely to be forced into similar action, in our view. The fund continues to have zero exposure to consumer staples.

We also bought back Motorola Solutions in technology having exited the holding in January 2025. The shares have underperformed meaningfully since then and we saw a buying opportunity for a quality company delivering reliable growth. We also added to Microsoft and Intuit as the price of the stock had fallen. Technology remained the fund's largest below benchmark position, however, as we reduced Lam Research and Seagate Technology to take profits.

Walt Disney was the final purchase during the review period. The media conglomerate is more economically sensitive, but after several years of falling valuations we see an attractive entry point for a company benefitting from growth in its direct-to-consumer business.

Cheniere Energy, NIKE, Cogent Communications and Starbucks were sold as a source of cash. We sold some of our holdings in Elevance and Thermo Fisher to take some profits, but healthcare remained the largest overweight relative to the benchmark among defensive sectors. Financials remained the largest overall area of focus, although this reduced after we trimmed our holdings Mastercard and American Express. We used recent share price falls to add to Intercontinental Exchange and ARES Management.

Outlook

We believe dividend investing remains a compelling way to diversify away from the concentration in the US market as the dominance of the new economy starts to unwind. We see plenty of opportunities beyond the narrow elite of technology and AI, with an increasing bias towards defensive quality where we see attractive growth available at undemanding valuations. The need to be selective remains paramount, however, as fundamentals and valuation remain challenging in some areas, most notably consumer staples. We have a clear preference for healthcare among defensive sectors.

Dividends remain on an upward trajectory across the portfolio and we continue to believe that the majority of our holdings can sustain dividend growth in the 5-15% range over the long term, while offering an attractive yield. The fund's yield premium to the US market is at the highest level since we embarked upon our dividend growth strategy in April 2015 for an income stream growing in excess of inflation. We are undeterred in our pursuit of dividend growth and remain committed to its viability not only as a source of rising income, but also as a total return strategy in the US over the long term.

John Weavers
Fund manager

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

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

Portfolio statement

Investments

Holding		as at 28.02.26 $'000	as at 28.02.26 %	as at 31.08.25 %
	Equities	**1,176,874**	**99.04**	**98.79**
	Banks	**57,113**	**4.81**	**4.46**
92,284	JPMorgan Chase & Co.	27,821	2.34	
342,677	Wells Fargo & Co.	29,292	2.47	
	Chemicals	**13,034**	**1.10**	**0.76**
269,191	Methanex Corp.	13,034	1.10	
	Construction and materials	**19,752**	**1.66**	**1.55**
315,950	Carrier Global Corp.	19,752	1.66	
	Consumer products and services	**20,451**	**1.72**	**1.22**
1,044,688	VF Corp.	20,451	1.72	
	Energy	**49,142**	**4.14**	**4.22**
1,300,826	Gibson Energy, Inc.	27,506	2.32	
257,918	ONEOK, Inc.	21,636	1.82	
	Financial services	**96,546**	**8.12**	**7.18**
347,717	ARES Management Corp.	40,863	3.44	
1,284,959	Blue Owl Capital, Inc.	14,181	1.19	
46,536	CME Group, Inc.	14,749	1.24	
164,457	Intercontinental Exchange, Inc.	26,753	2.25	
	Health care	**167,508**	**14.10**	**14.89**
287,725	Abbott Laboratories	33,446	2.82	
135,700	AbbVie, Inc.	30,486	2.57	
29,771	Elevance Health, Inc.	9,607	0.81	
138,006	Merck & Co., Inc.	16,437	1.38	
34,093	Thermo Fisher Scientific, Inc.	17,675	1.49	
151,701	UnitedHealth Group, Inc.	43,426	3.65	
126,874	Zoetis, Inc.	16,431	1.38	
	Industrial goods and services	**89,852**	**7.56**	**9.58**
92,976	Accenture PLC	19,175	1.61	
45,584	American Express Co.	14,948	1.26	
50,561	Mastercard, Inc.	25,865	2.18	
94,330	Visa, Inc.	29,864	2.51	

Portfolio statement

Investments (continued)

Holding		as at 28.02.26 $'000	as at 28.02.26 %	as at 31.08.25 %
	Equities (continued)			
	Insurance	**34,290**	**2.89**	**3.08**
73,022	Allstate Corp.	15,513	1.31	
88,756	Progressive Corp.	18,777	1.58	
	Media	**7,472**	**0.63**	**0.00**
71,201	Walt Disney Co.	7,472	0.63	
	Personal care, drug and grocery stores	**22,855**	**1.92**	**1.60**
23,448	McKesson Corp.	22,855	1.92	
	Real estate	**49,163**	**4.14**	**4.56**
36,558	Equinix, Inc.	34,628	2.92	
383,752	Rexford Industrial Realty, Inc.	14,535	1.22	
	Retail	**28,759**	**2.42**	**2.77**
88,250	Lowe's Cos., Inc.	23,287	1.96	
107,226	Tractor Supply Co.	5,472	0.46	
	Technology	**365,930**	**30.79**	**32.64**
157,012	Alphabet, Inc.	48,165	4.05	
136,472	Broadcom, Inc.	43,167	3.63	
64,566	Intuit, Inc.	24,604	2.07	
44,737	Lam Research Corp.	10,646	0.90	
99,022	Meta Platforms, Inc.	64,589	5.43	
259,526	Microsoft Corp.	103,372	8.70	
109,107	QUALCOMM, Inc.	15,772	1.33	
63,049	Salesforce, Inc.	12,231	1.03	
87,274	Seagate Technology Holdings PLC	35,300	2.97	
31,904	Vertiv Holdings Co.	8,084	0.68	
	Telecommunications	**45,513**	**3.83**	**0.58**
33,801	Motorola Solutions, Inc.	15,934	1.34	
138,766	T-Mobile U.S., Inc.	29,579	2.49	
	Travel and leisure	**50,613**	**4.26**	**5.06**
127,590	Royal Caribbean Cruises Ltd.	39,845	3.35	
58,501	Texas Roadhouse, Inc.	10,768	0.91	
	Utilities	**58,881**	**4.95**	**4.64**
636,806	NextEra Energy, Inc.	58,881	4.95	

Portfolio statement

Investments (continued)

Holding	as at 28.02.26 $'000	as at 28.02.26 %	as at 31.08.25 %
Derivatives	**(439)**	**(0.04)**	**0.02**
Forwards for share class hedging	**(439)**	**(0.04)**	**0.02**
Bought GBP423,820 for CAD789,781 Settlement 11/03/2026	(7)	0.00	
Bought GBP20,225,987 for USD27,682,148 Settlement 11/03/2026	(442)	(0.04)	
Sold GBP1,659,024 for USD2,244,010 Settlement 11/03/2026	10	0.00	
Total portfolio	**1,176,435**	**99.00**	**98.81**
Net other assets/(liabilities)	**11,859**	**1.00**	**1.19**
Net assets attributable to shareholders	**1,188,294**	**100.00**	**100.00**

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

M&G North American Dividend Fund

Portfolio statement

Top ten portfolio transactions for the six months to 28 February 2026

Largest purchases	$'000
T-Mobile U.S., Inc.	30,322
Microsoft Corp.	14,882
Intercontinental Exchange, Inc.	14,251
Abbott Laboratories	13,815
ARES Management Corp.	13,583
Motorola Solutions, Inc.	13,179
Intuit, Inc.	9,613
Walt Disney Co.	8,064
Wells Fargo & Co.	6,227
Salesforce, Inc.	5,900
Other purchases	45,145
Total purchases	**174,981**

Largest sales	$'000
Lam Research Corp.	58,810
Seagate Technology Holdings PLC	38,174
Elevance Health, Inc.	34,644
NextEra Energy, Inc.	18,883
Mastercard, Inc.	15,496
Thermo Fisher Scientific, Inc.	12,703
American Express Co.	12,608
Rexford Industrial Realty, Inc.	12,451
Starbucks Corp.	8,919
Cheniere Energy, Inc.	8,589
Other sales	84,395
Total sales	**305,672**

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	+3.2	+12.2	+12.2	+14.0
Class 'A' Accumulation	+3.2	+12.2	+12.2	+14.0
Class 'I' Income	+3.4	+12.7	+12.7	+14.6
Class 'I' Accumulation	+3.4	+12.7	+12.7	+14.6
Class 'I-H' Income	+3.1	+16.1	+11.0	n/a
Class 'I-H' Accumulation	+3.1	+16.1	+11.0	n/a
Class 'PP' Income	+3.4	+12.8	+12.8	n/a
Class 'PP' Accumulation	+3.4	+12.8	+12.8	n/a
Class 'PP-H' Income	+3.2	+16.1	+11.1	n/a
Class 'PP-H' Accumulation	+3.2	+16.2	+11.1	n/a
Class 'R' Income	+3.2	+12.4	+12.4	+14.2
Class 'R' Accumulation	+3.2	+12.4	+12.4	+14.3
Benchmark	**+7.6**	**+17.6**	**+15.1**	**+15.9**

[a] Not annualised.

Comparative tables

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

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 28 March 1977.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	124,081	123,163	117,865
Number of shares	2,313,918	2,357,121	2,454,639
Closing NAV per share (UK p)	3,981.58	3,881.25	3,645.27
Operating charges (%)	0.95	0.95	1.02

Sterling Class 'A' Accumulation shares

The share class was launched on 18 December 1972.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	111,927	113,870	113,445
Number of shares	1,339,995	1,406,989	1,549,076
Closing NAV per share (UK p)	6,201.94	6,011.65	5,559.61
Operating charges (%)	0.95	0.95	1.02

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	196,433	207,425	192,836
Number of shares	2,937,664	3,189,907	3,239,980
Closing NAV per share (UK p)	4,964.87	4,830.11	4,518.33
Operating charges (%)	0.55	0.55	0.62

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	563,714	650,221	465,878
Number of shares	6,821,624	8,137,033	6,468,695
Closing NAV per share (UK p)	6,135.76	5,935.67	5,467.47
Operating charges (%)	0.55	0.55	0.62

Sterling Class 'I-H' Income shares

The share class was launched on 6 December 2019.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	305	208	77
Number of shares	125,454	87,775	36,080
Closing NAV per share (UK p)	180.42	175.93	161.34
Operating charges (%)	0.58	0.58	0.65

Sterling Class 'I-H' Accumulation shares

The share class was launched on 6 December 2019.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	9,694	8,781	6,273
Number of shares	3,602,337	3,366,848	2,720,331
Closing NAV per share (UK p)	199.82	193.72	175.07
Operating charges (%)	0.58	0.58	0.65

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	102,842	102,727	74,401
Number of shares	41,724,360	42,879,413	33,963,761
Closing NAV per share (UK p)	183.01	177.95	166.30
Operating charges (%)	0.45	0.45	0.52

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	42,450	41,367	29,901
Number of shares	14,365,414	14,484,141	11,627,904
Closing NAV per share (UK p)	219.41	212.14	195.22
Operating charges (%)	0.45	0.45	0.52

Financial highlights

Sterling Class 'PP-H' Income shares

The share class was launched on 6 December 2019.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	6,957	6,792	40
Number of shares	2,837,595	2,843,790	18,500
Closing NAV per share (UK p)	182.04	177.40	162.69
Operating charges (%)	0.48	0.48	0.55

Sterling Class 'PP-H' Accumulation shares

The share class was launched on 6 December 2019.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	9,556	9,804	8,431
Number of shares	3,522,870	3,731,472	3,636,619
Closing NAV per share (UK p)	201.40	195.16	175.99
Operating charges (%)	0.48	0.48	0.55

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	2,683	2,827	3,073
Number of shares	412,344	446,171	528,536
Closing NAV per share (UK p)	483.20	470.67	441.39
Operating charges (%)	0.80	0.80	0.87

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	17,652	18,821	18,576
Number of shares	2,210,363	2,434,131	2,658,915
Closing NAV per share (UK p)	592.97	574.35	530.37
Operating charges (%)	0.80	0.80	0.87

Financial statements and notes

Financial statements

Statement of total return

for the six months to 28 February	2026		2025	
	$'000	$'000	$'000	$'000
Income				
Net capital gains/(losses)		36,888		34,335
Revenue	12,091		9,361	
Expenses	(3,959)		(3,554)	
Interest payable and similar charges	0		(9)	
Net revenue/(expense) before taxation	8,132		5,798	
Taxation	(1,657)		(1,324)	
Net revenue/(expense) after taxation		6,475		4,474
Total return before distributions		**43,363**		**38,809**
Distributions		(5,643)		(4,554)
Change in net assets attributable to shareholders from investment activities		**37,720**		**34,255**

Statement of change in net assets attributable to shareholders

for the six months to 28 February	2026		2025	
	$'000	$'000	$'000	$'000
Opening net assets attributable to shareholders		**1,286,006**		**1,030,796**
Amounts received on issue of shares	40,301		186,560	
Amounts paid on cancellation of shares	(178,584)		(88,816)	
		(138,283)		97,744
Dilution adjustments		24		20
Change in net assets attributable to shareholders from investment activities (see above)		37,720		34,255
Retained distributions on Accumulation shares		2,807		2,416
Unclaimed distributions		20		15
Closing net assets attributable to shareholders		**1,188,294**		**1,165,246**

The opening net assets attributable to shareholders for 2026 differs to the closing position in 2025 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	28 February 2026 $'000	31 August 2025 $'000
Assets		
Fixed assets		
Investments	1,176,884	1,270,674
Current assets		
Debtors	49,515	2,215
Cash and bank balances	8,205	1,607
Cash equivalents	53,993	17,401
Total assets	**1,288,597**	**1,291,897**
Liabilities		
Investment liabilities	(449)	(7)
Creditors		
Distribution payable	(1,237)	(3,137)
Other creditors	(98,617)	(2,747)
Total liabilities	**(100,303)**	**(5,891)**
Net assets attributable to shareholders	**1,188,294**	**1,286,006**

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.

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For the purposes of these financial statements, the Prospectus dated 9 February 2026 has been used.

Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the S&P 500 Index, over any five-year period.

Investment policy

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

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

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

Derivatives may be used for efficient portfolio management and hedging.

Investment approach

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

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

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

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

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

Benchmark

S&P 500 Index

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

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

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

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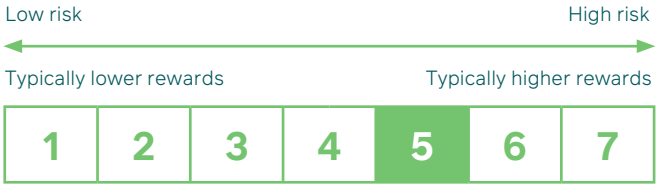
Risk profile

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

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



The above number:

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

Investment review

For the six months ended 28 February 2026

Performance against objective

Between 1 September 2025 (the start of the review period) and 28 February 2026, the fund's sterling share classes delivered a positive total return (the combination of income and growth of capital). The fund outperformed the benchmark, the S&P 500 Index, which advanced 7.6% in the review period.

Over five years, the fund generated a positive return but trailed its benchmark, which returned 15.1% pa over this period. Therefore, the fund did not meet its objective of providing a higher total return, net of the ongoing charge figure, than the S&P 500 Index over any five-year period.

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

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

Performance review

US equity markets delivered strong gains in the period under review, supported by monetary policy, resilient corporate earnings, and ongoing enthusiasm for artificial intelligence (AI)-related stocks. Markets started positively in September due to a widely expected US Federal Reserve (Fed) interest rate cut and US trade tariff news not being as negative as expected. The S&P 500 reached new highs, driven by robust earnings and expectations of further interest rate cuts in 2025. October saw markets extending their rally, with the S&P 500 marking a sixth consecutive month of gains. Strong technology demand, fuelled by AI optimism, helped NVIDIA become the world's first US$5 trillion company. The Fed cut interest rates again in October, though hawkish commentary dampened expectations for additional cuts.

November brought volatility as markets were caught between strong earnings sentiment and concerns over AI-related companies' valuations. Despite a softer start to December, the 'Santa Claus Rally' pushed global indices to fresh highs, though the S&P 500 ended the month largely unchanged amid another Fed interest rate cut and shifting expectations on the sustainability of the AI rally.

2026 started on a positive note for the US stockmarkets as the Fed held interest rates steady. February saw further gains globally, although US technology stocks lagged due to pressure on software businesses from the potential threat of AI and renewed uncertainty following the US Supreme Court's rejection of earlier tariff measures and President Trump's subsequent announcement of a new 'global tariff'.

In this environment, the fund's value investment style outperformed the growth investment style (investing in companies expected to grow earnings faster than the

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wider market) over the period under review. 2025 was marked by regional divergence; developed markets outside the US and Canada saw a strong revival in the value style, which outperformed growth, while growth stocks continued to dominate in the US, driven by technology and other high-growth sectors. So far in 2026, however, growth stocks in the US have underperformed, with software names in particular experiencing the sharpest declines amid concerns over the potential impact of generative AI. As a result, the value investment style has started 2026 strongly and has outperformed growth.

The fund's value bias worked in its favour over the period under review, resulting in above-benchmark returns. Stock selection was the main contributor to relative performance during the period. Sector allocation also contributed positively. Technology was the biggest contributor to relative returns mainly from our stock selection and also from our below-benchmark (underweight) to the sector. Within technology, lack of exposure to Microsoft was the largest individual relative contributor as the stock came under pressure as investors feared the impact generative AI will have on its businesses. Other technology names that did well for us were Seagate, Micron, Amkor and Intel as they all performed well driven primarily by an industry-wide surge in demand for AI infrastructure like data storage and chips. Stock selection and an above-benchmark position (overweight) to materials also contributed positively, as did our stock selection in communication services. Within materials, our off-benchmark exposure to Lundin Mining was a large relative contributor as its share price increased significantly driven by a surge in copper and gold prices, record financial results, and strategic acquisitions in South America.

In contrast, our stock selection in consumer staples and real estate were the largest detractors from relative performance. Our off-benchmark exposures to visual social media platform Pinterest and cyber security solutions provider Check Point Software were the main individual relative detractors. Pinterest, our largest relative detractor, came under pressure as it reported weak Q4 earnings citing reduced advertising spend from large retailers due to the impact of tariffs. Other notable negative contributors to relative returns included our holdings in customer relationship management platform provider Salesforce and real estate investment trust (REIT) Highwoods Properties.

Investment activities

During the period under review, we added food processing business Smithfield Foods, crop fertilizer company Mosaic, US-based bank Huntington Bancshares, energy producer Ovintiv and software business BlackBerry.

We completely exited fashion business Tapestry, construction equipment manufacturer Caterpillar, agricultural sciences company FMC and oil business Kosmos Energy.

Outlook

Looking ahead, we continue to see compelling opportunities for global value investors. Although there has been some diversification away from the US we believe that attractive opportunities remain. Several of our US technology holdings generated strong performance last year, reflecting our focus on high-quality businesses purchased at more attractive valuations. Since the outsized returns in the US have been highly concentrated within a select few stocks, there are still interesting opportunities for disciplined, bottom-up stock picking.

Geopolitical events such as the recent strikes on Iran and US President Trump's policies are likely to remain the focus of many investors. Growth valuations remain elevated in pockets, which may indicate that expectations are high and that prices may be ahead of fundamentals. Whereas, value-oriented sectors are still available at attractive levels, in our view. We continue

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to find such selective opportunities that support this approach in the US market. We remain optimistic about the long-term outlook for value investing.

Daniel White
Fund manager

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

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

Portfolio statement

Investments

Holding		as at 28.02.26 $'000	as at 28.02.26 %	as at 31.08.25 %
	Equities	**400,904**	**94.52**	**98.01**
	Automobiles and parts	**4,597**	**1.08**	**1.24**
43,172	General Motors Co.	3,487	0.82	
17,297	Magna International, Inc.	1,110	0.26	
	Banks	**32,837**	**7.74**	**9.62**
74,498	Citigroup, Inc.	8,484	2.00	
143,585	Huntington Bancshares, Inc.	2,518	0.59	
38,765	JPMorgan Chase & Co.	11,687	2.76	
93,891	Wells Fargo & Co.	8,026	1.89	
23,747	Western Alliance Bancorp	2,122	0.50	
	Basic resources	**11,769**	**2.78**	**2.78**
850,918	Champion Iron Ltd.	3,188	0.75	
158,615	Lundin Mining Corp.	5,000	1.18	
18,707	Steel Dynamics, Inc.	3,581	0.85	
	Chemicals	**4,846**	**1.14**	**0.25**
178,780	Mosaic Co.	4,846	1.14	
	Construction and materials	**8,353**	**1.97**	**1.99**
19,059	Eagle Materials, Inc.	4,284	1.01	
33,447	Owens Corning	4,069	0.96	
	Consumer products and services	**9,155**	**2.16**	**2.66**
472,563	Coty, Inc.	1,247	0.29	
248,768	VF Corp.	4,870	1.15	
44,111	Whirlpool Corp.	3,038	0.72	
	Energy	**19,720**	**4.65**	**4.68**
38,623	Chevron Corp.	7,165	1.69	
41,690	ConocoPhillips	4,569	1.08	
123,248	Halliburton Co.	4,446	1.05	
71,618	Ovintiv, Inc.	3,540	0.83	
	Financial services	**10,268**	**2.42**	**2.85**
45,037	Charles Schwab Corp.	4,389	1.03	
82,225	Voya Financial, Inc.	5,879	1.39	
	Food, beverage and tobacco	**20,116**	**4.74**	**3.67**
59,605	Coca-Cola Europacific Partners PLC	6,492	1.53	

Portfolio statement

Investments (continued)

Holding		as at 28.02.26 $'000	as at 28.02.26 %	as at 31.08.25 %
	Equities (continued)			
	Food, beverage and tobacco (continued)			
91,099	Molson Coors Beverage Co.	4,368	1.03	
97,489	Mondelez International, Inc.	5,838	1.38	
138,686	Smithfield Foods, Inc.	3,418	0.80	
	Health care	**58,370**	**13.76**	**12.72**
27,610	AbbVie, Inc.	6,203	1.46	
17,553	Amgen, Inc.	6,655	1.57	
95,208	Bristol-Myers Squibb Co.	5,787	1.36	
129,302	Bruker Corp.	5,279	1.24	
16,394	Elevance Health, Inc.	5,290	1.25	
34,215	Gilead Sciences, Inc.	4,915	1.16	
12,741	Johnson & Johnson	3,094	0.73	
40,863	Medtronic PLC	3,963	0.93	
38,657	Merck & Co., Inc.	4,604	1.09	
270,880	Organon & Co.	1,957	0.46	
153,347	Pfizer, Inc.	4,146	0.98	
64,278	Zimmer Biomet Holdings, Inc.	6,477	1.53	
	Industrial goods and services	**39,565**	**9.33**	**9.12**
36,952	3M Co.	6,122	1.44	
162,364	CSX Corp.	6,923	1.63	
19,601	Fiserv, Inc.	1,199	0.28	
142,375	Kennametal, Inc.	5,704	1.34	
74,810	ManpowerGroup, Inc.	2,075	0.49	
34,415	Oshkosh Corp.	5,879	1.39	
74,561	PayPal Holdings, Inc.	3,421	0.81	
8,220	Rockwell Automation, Inc.	3,379	0.80	
104,919	Smurfit Westrock PLC	4,863	1.15	
	Insurance	**14,311**	**3.37**	**4.52**
12,884	Everest Group Ltd.	4,340	1.02	
35,942	Hartford Insurance Group, Inc.	5,066	1.19	
15,907	Willis Towers Watson PLC	4,905	1.16	

Portfolio statement

Investments (continued)

Holding		as at 28.02.26 $'000	as at 28.02.26 %	as at 31.08.25 %
	Equities (continued)			
	Media	**7,042**	**1.66**	**0.81**
73,829	Versant Media Group, Inc.	2,372	0.56	
164,975	Warner Bros Discovery, Inc.	4,670	1.10	
	Personal care, drug and grocery stores	**15,653**	**3.69**	**4.06**
178,702	Energizer Holdings, Inc.	3,906	0.92	
259,828	Kenvue, Inc.	4,916	1.16	
101,676	Kroger Co.	6,831	1.61	
	Real estate	**9,617**	**2.27**	**2.77**
189,459	Highwoods Properties, Inc.	4,419	1.04	
115,556	NNN REIT, Inc.	5,198	1.23	
	Retail	**9,395**	**2.22**	**3.30**
60,541	Best Buy Co., Inc.	3,774	0.89	
21,301	Lowe's Cos., Inc.	5,621	1.33	
	Technology	**76,108**	**17.94**	**19.54**
48,487	Alphabet, Inc.	14,874	3.51	
90,983	Amkor Technology, Inc.	4,413	1.04	
408,145	BlackBerry Ltd.	1,404	0.33	
55,543	Check Point Software Technologies Ltd.	8,575	2.02	
4,905	Fabrinet	2,742	0.65	
98,374	Intel Corp.	4,422	1.04	
2,895	Meta Platforms, Inc.	1,888	0.44	
15,358	Micron Technology, Inc.	6,262	1.48	
14,719	Oracle Corp.	2,163	0.51	
213,832	Pinterest, Inc.	3,802	0.90	
42,793	QUALCOMM, Inc.	6,186	1.46	
45,387	Salesforce, Inc.	8,805	2.07	
18,219	Seagate Technology Holdings PLC	7,369	1.74	
164,991	Vishay Intertechnology, Inc.	3,203	0.75	
	Telecommunications	**21,996**	**5.19**	**5.33**
124,772	Cisco Systems, Inc.	9,706	2.29	
116,971	Comcast Corp.	3,595	0.85	
178,106	Verizon Communications, Inc.	8,695	2.05	

Portfolio statement

Investments (continued)

Holding		as at 28.02.26 $'000	as at 28.02.26 %	as at 31.08.25 %
	Equities (continued)			
	Travel and leisure	**5,960**	**1.41**	**1.30**
116,178	Southwest Airlines Co.	5,960	1.41	
	Utilities	**21,226**	**5.00**	**4.80**
19,802	Constellation Energy Corp.	6,377	1.50	
162,157	Exelon Corp.	7,912	1.86	
367,719	PG&E Corp.	6,937	1.64	
Total portfolio		**400,904**	**94.52**	**98.01**
Net other assets/(liabilities)		**23,253**	**5.48**	**1.99**
Net assets attributable to shareholders		**424,157**	**100.00**	**100.00**

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

M&G North American Value Fund

Portfolio statement

Top ten portfolio transactions for the six months to 28 February 2026

Largest purchases	$'000
Check Point Software Technologies Ltd.	5,607
Mosaic Co.	5,499
Salesforce, Inc.	4,724
Pinterest, Inc.	4,288
Ovintiv, Inc.	3,397
Smithfield Foods, Inc.	2,985
Smurfit Westrock PLC	2,731
Alphabet, Inc.	2,725
Huntington Bancshares, Inc.	2,513
JPMorgan Chase & Co.	2,416
Other purchases	79,888
Total purchases	**116,773**

Largest sales	$'000
Seagate Technology Holdings PLC	7,132
Micron Technology, Inc.	6,551
Oracle Corp.	4,405
Amkor Technology, Inc.	4,382
Alphabet, Inc.	3,826
Intel Corp.	3,813
Chevron Corp.	3,300
Western Alliance Bancorp	3,080
Lundin Mining Corp.	2,971
Tapestry, Inc.	2,672
Other sales	27,207
Total sales	**69,339**

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	+15.3	+12.6	+13.2	+11.8
Class 'A' Accumulation	+15.3	+12.6	+13.2	+11.8
Class 'I' Income	+15.5	+13.1	+13.7	+12.4
Class 'I' Accumulation	+15.5	+13.1	+13.7	+12.4
Class 'PP' Income	+15.6	+13.2	+13.8	n/a
Class 'PP' Accumulation	+15.6	+13.2	+13.8	n/a
Class 'R' Income	+15.4	+12.8	+13.4	+12.2
Class 'R' Accumulation	+15.4	+12.8	+13.4	+12.2
Benchmark	**+7.6**	**+17.6**	**+15.1**	**+15.9**

[a] Not annualised.

Comparative tables

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

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 1 July 2005.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	140,095	121,416	113,184
Number of shares	45,553,634	45,539,680	45,564,361
Closing NAV per share (UK p)	228.35	198.05	188.57
Operating charges (%)	0.95	0.95	0.98

Sterling Class 'A' Accumulation shares

The share class was launched on 1 July 2005.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	4,273	3,974	3,673
Number of shares	1,127,494	1,209,652	1,224,929
Closing NAV per share (UK p)	281.37	244.05	227.64
Operating charges (%)	0.95	0.95	0.98

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	12,883	10,566	44,616
Number of shares	213,091	201,981	919,147
Closing NAV per share (UK p)	4,489.11	3,885.60	3,685.02
Operating charges (%)	0.55	0.55	0.58

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	75,070	62,118	82,365
Number of shares	993,883	950,446	1,386,336
Closing NAV per share (UK p)	5,608.28	4,854.69	4,510.28
Operating charges (%)	0.55	0.55	0.58

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	128,891	50,570	96,903
Number of shares	54,589,104	24,765,849	51,194,481
Closing NAV per share (UK p)	175.31	151.67	143.69
Operating charges (%)	0.45	0.45	0.48

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	56,433	51,414	50,624
Number of shares	20,430,880	21,522,906	23,335,706
Closing NAV per share (UK p)	205.09	177.44	164.69
Operating charges (%)	0.45	0.45	0.48

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	551	535	553
Number of shares	93,360	104,720	116,202
Closing NAV per share (UK p)	438.11	379.68	360.99
Operating charges (%)	0.80	0.80	0.83

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

	28.02.26	31.08.25	31.08.24
Closing NAV ($'000)	5,961	5,635	4,974
Number of shares	816,870	891,358	863,423
Closing NAV per share (UK p)	541.79	469.58	437.35
Operating charges (%)	0.80	0.80	0.83

Financial statements and notes

Financial statements

Statement of total return

for the six months to 28 February	2026		2025	
	$'000	$'000	$'000	$'000
Income				
Net capital gains/(losses)		53,398		15,677
Revenue	4,261		4,802	
Expenses	(1,249)		(1,228)	
Interest payable and similar charges	0		(2)	
Net revenue/(expense) before taxation	3,012		3,572	
Taxation	(757)		(609)	
Net revenue/(expense) after taxation		2,255		2,963
Total return before equalisation		**55,653**		**18,640**
Equalisation		116		(806)
Change in net assets attributable to shareholders from investment activities		**55,769**		**17,834**

Statement of change in net assets attributable to shareholders

for the six months to 28 February	2026		2025	
	$'000	$'000	$'000	$'000
Opening net assets attributable to shareholders		**306,228**		**396,892**
Amounts received on issue of shares	84,064		13,480	
Amounts paid on cancellation of shares	(21,941)		(122,751)	
		62,123		(109,271)
Dilution adjustments		37		48
Change in net assets attributable to shareholders from investment activities (see above)		55,769		17,834
Closing net assets attributable to shareholders		**424,157**		**305,503**

The opening net assets attributable to shareholders for 2026 differs to the closing position in 2025 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	28 February 2026 $'000	31 August 2025 $'000
Assets		
Fixed assets		
Investments	400,904	300,135
Current assets		
Debtors	1,169	694
Cash and bank balances	3,665	215
Cash equivalents	19,263	9,464
Total assets	**425,001**	**310,508**
Liabilities		
Creditors		
Distribution payable	0	(3,828)
Other creditors	(844)	(452)
Total liabilities	**(844)**	**(4,280)**
Net assets attributable to shareholders	**424,157**	**306,228**

Financial statements and notes

Notes to the financial statements

Accounting policies

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

Distribution policy

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

Other regulatory disclosures

EU Sustainable Finance Disclosure Regulation

SFDR

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

Taxonomy Regulation

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

M&G Investments

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. **63697_311026**